



# ***Daily Report***

## **China**

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14 September 1989

# Daily Report

## China

FBIS-CHI-89-177

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**NOTICE TO READERS:** An \* indicates material not previously disseminated in electronic form.

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## General

### Foreign Ministry Holds Weekly News Briefing

#### No Interference Tolerated

HK1409110889 Beijing ZHONGGUO XINWEN SHE  
in Chinese 0938 GMT 14 Sep 89

[Text] Beijing, 14 Sep (ZHONGGUO XINWEN SHE)—The spokesman of the Chinese Ministry of Foreign Affairs, Li Zhaoxing, said it is true that there are still some countries and some people that are trying to interfere in China's internal affairs.

At this afternoon's press conference, a reporter asked: Given the fact that there are still relatively many soldiers and policemen patrolling the streets of Beijing, does China think that there is a foreign power fermenting trouble for October 1st?"

Li Zhaoxing replied: This year is the 40th anniversary of the founding of the country. In due time China will hold various activities to celebrate. I do not know of any specific situation as just described by you, but on the whole it is true that there are still some countries and some people who are trying to interfere in China's internal affairs.

Li Zhaoxing said, by way of example, that some people put pressure on China using the excuse of human rights; of course, this makes no sense at all. It was completely legitimate and necessary for the Chinese government to quell the rebellion and stop the turmoil in accordance with law. This is China's internal affair, and China will not allow any foreign power to interfere.

Li Zhaoxing said: Since the People's Republic of China was founded, it has never bowed to foreign pressure, nor will it do so in the future. The following proverb explains the matter well: Not all that glitters is gold. Some people now sing the praise of human rights; in reality they are forcing their own concept of value onto other people. The action does not respect other people's human rights; it even violates their rights. Li Zhaoxing said: Such action will only hurt the development of relations between countries.

Li Zhaoxing said that the Chinese people will celebrate the 40th anniversary of the founding of the country in a pleasant and dignified fashion, and they will invite foreign friends in Beijing to join in some of the celebratory activities.

#### Acceptance of Boat People

OW1409115389 Tokyo KYODO in English  
1121 GMT 14 Sep 89

[Text] Beijing, Sept. 14 KYODO—China will accept Chinese "boat people" who entered Japan illegally posing as Vietnamese refugees if they are proved to be Chinese nationals, a Foreign Ministry official said Thursday.

Li Zhaoxing, director of the ministry's Information Department told a press conference here that China has already received a list of 39 people who Japan claimed to be Chinese illegal entrants.

The Japanese Foreign Ministry has said it handed last week the names and other information on the 39 to the Chinese Embassy in Tokyo. The Japanese Justice Ministry ordered their deportation.

At present, both China and Japan are proceeding with the investigation, said Li, adding that the Chinese Government organizations concerned are conducting an investigation based on information provided by Japan.

Meanwhile, the Japanese immigration authorities in Tokyo on Thursday ordered 14 more Chinese "boat people" deported as illegal entrants, increasing the number of such Chinese to 174, officials said.

The 14 males are among the 149 who arrived in Japan on September 4 after being rescued by a Japanese patrol boat in waters south of Kagoshima, and currently detained at immigration facilities in Osaka and Nagoya, the Japanese officials said.

Since May 29 this year, 18 boats carrying 2,257 people arrived in Japan, and 657 of them, including the 174, have been detained after immigration officials suspected them of being Chinese illegal entrants from southeastern Fujian Province seeking job opportunities in Japan, not political refuge.

#### Democratic Kampuchea Belongs in UN

OW1409095089 Beijing XINHUA in English  
0931 GMT 14 Sep 89

[Text] Beijing, September 14 (XINHUA)—Democratic Kampuchea should naturally occupy its legitimate seat in the United Nations, Chinese Foreign Ministry Spokesman Li Zhaoxing said at the weekly news briefing here today.

He made the remark in response to a reporter who asked about China's attitude toward the statement that some people are of the view that pending agreement on a comprehensive settlement of the Cambodian question, the seat of the Cambodia in the United Nations should be left vacant...." Li said that Democratic Kampuchea is a full member state of the United Nations; and the coalition government of Democratic Kampuchea headed by Prince Sihanouk is the sole legal government of the Kampuchean people.

"Naturally," he continued, "Democratic Kampuchea should occupy its legitimate seat in the United Nations." Any view or proposition in favor of leaving the seat of Kampuchea vacant in the United Nations is "absurd, and thus unacceptable," he added.

**Mubarak Plan 'Positive'**

*OW1409084089 Beijing XINHUA in English  
0817 GMT 14 Sep 89*

[Text] Beijing, September 14 (XINHUA)—The ten-point peace plan put forward by President Mubarak is of positive significance. Spokesman of the Chinese Foreign Ministry Li Zhaoxing said here today at the weekly news briefing.

When asked about China's comments on the plan, he said the Chinese Government always stands for a comprehensive, just and reasonable settlement of the Middle East question, and for the restoration of the national rights of the Palestinian people.

He said that the plan is of positive significance. China hopes that all the interested parties will, through dialogue, make new efforts for the advancement of the Middle East peace process.

**Ershad's Wife To Visit 19 Sep**

*OW1409083689 Beijing XINHUA in English  
0800 GMT 14 Sep 89*

[Text] Beijing, September 14 (XINHUA)—Spokesman for the Chinese Foreign Ministry Li Zhaoxing announced here today that Begum Raushan Ershad, wife of the president of the People's Republic of Bangladesh, will come to China on September 19, 1989 for a goodwill visit at the invitation of the Chinese Government.

**Foreign Ministry Notes Expanded Diplomacy**

*OW1409032989 Beijing XINHUA in English  
1411 GMT 13 Sep 89*

[Text] Beijing, September 13 (XINHUA)—As 138 countries have established diplomatic relations with China, diplomatic representative institutions in Beijing have expanded from 14 in the 1950's to the present 123, while the number of foreign diplomats has increased from several hundred to more than 5,000.

Recent statistics from the Foreign Ministry indicate that in 1988 Beijing received 28 state and government heads, compared with only five in the first six years after New China was founded in 1949.

In the early days of New China, most of the foreigners in Beijing were missionaries, foreign residents and servicemen. But now most are government officials, diplomats, businessmen, teachers and students.

According to Zhang Ming, chairman of the Beijing Economic and Trade Commission, since Beijing began to welcome foreign investment in the early 1980's, more than 500 businessmen from dozens of countries have come to run enterprises. Besides, there are more than 2,000 foreigners working for different foreign firms here.

Zhang said that in 1950 Beijing only had trade relations with the Soviet Union and a few Eastern European

countries, only supplying them with 18 varieties of arts and crafts. The annual export volume was some two million U.S. dollars.

But now Beijing has trade contacts with more than 130 countries and regions and can export over 10,000 kinds of commodities. Last year Beijing exported 1.02 billion U.S. dollars worth of commodities, about 400 times the figure for 1949.

Beijing's scenic spots have attracted large groups of foreign tourists. Last year, 1.2 million foreign tourists visited the capital. By August this year, 480,000 overseas tourists had visited Beijing despite the riots earlier.

It is learned that in recent years several hundred technicians and experts have been invited to work in the capital's urban construction, agricultural and industrial sectors.

More than 2,800 foreign students from 112 countries are studying in Beijing universities and colleges. Besides, 42 elementary and high schools from 11 countries including the United States and Japan have established friendship ties with 35 elementary and high schools in Beijing. They exchange students each year.

**Antarctic Team Reports on Activities**

*OW1309140789 Beijing XINHUA Domestic Service  
in Chinese 1212 GMT 8 Sep 89*

[“Local Broadcast News Service”]

[Text] Beijing, 8 Sep (XINHUA)—The international trek across Antarctica survey team has been trekking across Antarctica for more than 1 month. How is the team faring? Chinese team member Qin Dahe cabled back recently, saying that he and the team could now proceed with all-day skiing. Qin reported that he suffered frostbite on the face because of the very low minus 30 degree Centigrade temperature. The survey team arrived safely at the third supply station at the top of the Wei Ye Hei Long Sai Glacier (7279 5102 7815 7893 1049) in early September.

He recalled: The survey team crossed the section of the La Fen Ice Shelf (2139 5358) and then trekked across the Shi Da Bu Mountain Pass (2448 6671 0592) and the Wilson Mountain Pass with much difficulty. The team arrived at the forward area of the Wei Ye Hei Long Sai Glacier on 24 August. The survey team faced a vast expanse of crevasses, and thus began the most dangerous part of the whole trip. There was extremely poor visibility because of constant snowstorms and winds. As a safety precaution, the survey team was forced to advance in strict accordance with mountain climbing rules, which reduced the daily progress to 15 km. The survey team finally crossed the crevasse region and ascended the Antarctic Plateau.

Qin Dahe said: Basically I already am used to low temperatures, blizzards, and exhausting long-distance trekking. He said: The survey team is currently at an

altitude of 2,200 meters above sea level; it is heading toward the next supply station of Lai En Xi (5490 1869 6007), a place at a still higher latitude.

### Scientific Equipment Exhibition Opens

OW1209194789 Beijing XINHUA in English  
1129 GMT 12 Sep 89

[Text] Beijing, September 12 (XINHUA)—Thirty-nine leading scientific instrument manufacturers and traders from 11 countries and regions are displaying their latest products at an exhibition which opened here today.

At the five-day exhibition, organized by the Chinese Academy of Sciences, businessmen and scientists from China, the United States, Britain, France, Sweden, Switzerland, Federal Germany, the Netherlands, Japan, Singapore, and Hong Kong will also attend a series of technical seminars and symposiums.

The 5,000 exhibits include analytical instruments, laboratory equipment, electronic instruments, and electronic computer products.

### Wu Xueqian Meets Three Departing Envoys

OW1409121689 Beijing XINHUA in English  
0932 GMT 14 Sep 89

[Text] Beijing, September 14 (XINHUA)—Chinese Vice-Premier Wu Xueqian, entrusted by Premier Li Peng, met with three foreign outgoing ambassadors to China on separate occasions here this afternoon.

They are Bulgarian Ambassador to China Doncho Donchev, Algerian Ambassador to China Lazhari Cheriet and Finnish Ambassador to China Risto Hyvarinen.

## United States & Canada

### Seminar Introduces Canadian Flight Simulators

HK1309104789 Beijing CHINA DAILY in English  
13 Sep 89 p 2

[By staff reporter Wang Xiangwei]

[Text] CAE Electronics Ltd, a Canadian firm which sells about 80 percent of the world's flight simulators, is considering technical exchanges with the Chinese aviation industry.

Pierre Burnier, CAE's director of equipment engineering, said Chinese aviation officials have expressed interest in the company's commercial flight simulators including the Boeing and McDonnell Douglas models.

Edmond Kwan, CAE's China Consultant and general manager of the Min Jian Company Ltd of Hong Kong, said that the Montreal-based company is leading a two-day seminar introducing CAE flight simulators to Chinese engineers at the invitation of Chinese officials.

Fifteen flight simulator engineers from Beijing, Chengdu and Shanghai attended the seminar, which started yesterday.

A Chinese flight simulator engineer who attended the seminar said there are two flight schools in China—one in Tianjin and the other in Chengdu—and one training centre in Beijing. There are three flight simulators in the country, all imported from a British company, Rediffusion.

He said the Civil Aviation Administration of China is thinking about establishing another flight school, probably in Guangzhou, in Guangdong Province.

## Soviet Union

### Further on Lukyanov Delegation Visit

#### Peng Chong Discusses Democracy

HK1309123889 Beijing ZHONGGUO XINWEN SHE  
in Chinese 0703 GMT 13 Sep 89

[Report by reporter Li Wei (2621 0251): "Peng Chong Says That Without Developing Democracy, It Is Impossible To Build a High Degree of Spiritual Civilization and Material Civilization"—ZHONGGUO XINWEN SHE Headline]

[Text] Beijing, 13 September (ZHONGGUO XINWEN SHE)—China's confidence in developing democracy has not been shaken, said Peng Chong, vice chairman of the NPC Standing Committee, here in Beijing this morning. Peng Chong added: China will strengthen the building of democracy and legal system because "without developing the socialist democracy, it is impossible for China to attain her long-term goal of building a country with a high degree of spiritual civilization and material civilization."

Peng Chong also said that developing socialist democracy and perfecting the socialist legal system are a long-term task which cannot be accomplished overnight. Democracy should be developed under a correct leadership. In developing democracy, it is necessary to prevent anarchism.

Peng Chong made the above remarks during his work meeting with Anatoliy Lukyanov, first deputy chairman of the Presidium of the Supreme Soviet.

Peng Chong told his Soviet guests that China already has a relatively complete set of laws. In the next 2 years, China will endeavor to strengthen legislation work concerning reform and opening up to the outside world.

Peng Chong said that at present, China's economy contains a variety of ownership systems, including the enterprises run with foreign capital, overseas Chinese capital, and with both Chinese and foreign capital, among which the public ownership system prevails. China will not nationalize foreign enterprises. However, under very special circumstances, when expropriation



becomes inevitable, China will still pay adequate compensation to the foreign entrepreneurs concerned.

Peng Chong pointed out that in order to solve the current problems in China, it is necessary to unify the implementation of the policies of reform and opening up to the outside world with the adherence to the four cardinal principles. Now in Chinese society and in China's theoretical circles, there are some people who still have confused understanding on this question and even try to isolate the adherence to the four cardinal principles from the implementation of policies of reform and opening up to the outside world.

Peng Chong held that the recent rebellion in Beijing is a bad thing and a good thing as well. The recent rebellion has awakened the Chinese people and made them realize that it is necessary to adhere to the socialist road and the CPC leadership, develop patriotism, and carry out education on the legal system.

Peng Chong said that the delegation from the USSR Supreme Soviet is the first high-level Soviet delegation to visit China since the Sino-Soviet summit meeting which signaled the normalization of the Sino-Soviet relations. China has attached great importance to the current visit and believes that it will not only promote the friendly parliamentary relations between China and the Soviet Union but also push ahead with the development of the bilateral relations.

Anatoliy Lukyanov said that developing relations with China is of great significance to the Soviet Union. The Sino-Soviet summit meeting is at once a major event in relations and an event of global significance, for it has pushed ahead with the development of good-neighborly and friendly relations among all the countries of the world on the basis of the Five Principles of Peaceful Coexistence.

Anatoliy Lukyanov stressed that the Soviet Union is satisfied with the implementation of the accord reached at the recent Sino-Soviet summit meeting. The Soviet Union has always attached great importance to China's reform experiences and has always believed that these experiences are beneficial to the on-going reforms in the Soviet Union.

#### **Tian Jiyun Meets Lukyanov**

*OW1409130789 Beijing Domestic Service in Mandarin  
0930 GMT 14 Sep 89*

[From the "National Hookup" program]

[Text] Vice Premier Tian Jiyun met the Supreme Soviet delegation led by First Deputy Chairman Lukyanov in the Great Hall of the People on the morning of 14 September.

Tian Jiyun said: Both China and the Soviet Union are continuing to work at present in accordance with the various guiding principles that were formulated during last May's Sino-Soviet summit. Both countries also are

advancing along the road of friendship and bilateral cooperation. He expressed the belief that, because China and the Soviet Union each have their respective strong points in the spheres of economy, technology, and resources, there are tremendous potentials for mutual cooperation which will greatly benefit each side. He hoped that the development of the two countries' economies and trade and technology sectors will be promoted further through joint efforts.

Tian Jiyun expressed satisfaction with the development of economic cooperation and trade between China and the Soviet Union over the past few years and stated his belief that the prospects for cooperation between the two countries are very good. He said that the visit of the Soviet delegation will promote the development of bilateral friendship and cooperation.

For his part, Lukyanov said: The Soviet Union and China cherish the common desire to expand their economic cooperation and trade further, and favorable conditions indeed exist for such an expansion. Both countries will promote not only the development of general trade but also will explore ways to strengthen cooperation in production.

Touching on the issue of reform, Lukyanov said: It is very natural that both the Soviet Union and China have encountered some problems. He expressed the belief that the problems are bound to be solved and that the superiority of the socialist system is bound to be demonstrated more fully.

#### **Northeast Asia**

##### **Wang Zhen Meets Japanese Publisher**

*OW1409102089 Beijing XINHUA in English  
0947 GMT 14 Sep 89*

[Text] Beijing, September 14 (XINHUA)—Chinese Vice-President Wang Zhen met with Hiroshi Furuoka, president of the Japanese Gakken Co. Ltd., at the Great Hall of the People here today.

During the meeting, Wang, also honorary president of the China-Japan Friendship Association, praised Furuoka's contributions to the development of Sino-Japanese friendship and the expansion of cultural exchange between the two countries.

Gakken Co. Ltd, one of Japan's biggest publishing houses, has long-standing contacts with China. It has produced complete works by renowned Chinese writers Lu Xun and Lao She, and a joint venture "Tales of Giant Panda".

Furuoka expressed his willingness to continue his efforts to further the friendship and cultural exchanges between Japan and China.

China's political situation is stable, Wang said. The country will continue its policy of reform and opening and welcome more foreign investment and cooperation.

#### **Japanese Tourist Expelled for Protest Activity**

*HK1409105089 Beijing ZHONGGUO XINWEN SHE  
in Chinese 0957 GMT 14 Sep 89*

[Report: "A Japanese Tourist Has His Stay in China Cut Short for Activities Incompatible with His Status"—ZHONGGUO XINWEN SHE headline]

[Text] Shanghai, 14 Sep (ZHONGGUO XINWEN SHE)—Yo Morinaga, a Japanese tourist, was summoned by the Shanghai Municipal Public Security Bureau according to the law, as he has done something incompatible with his status as a tourist in China, and his stay in this country has been cut short.

On 10 September, Japanese tourist Yo Morinaga brought into China a large quantity of anti-China newspapers and other propaganda materials. After he entered the country, he began to make preparations for a "protest" against the suppression of the counterrevolutionary riot in Beijing and worked out a plan for holding a "long march demonstration" by traveling to several cities on the mainland. To this end, he prepared some white cloth, colors, an electric loudspeaker, and other instruments. In accordance with Article 16 of the "Law of the PRC on the Management of the Entry and Exit of Foreigners," the Shanghai Municipal Public Security Bureau decided to cut short his stay in China.

Yo Morinaga left Shanghai for Japan today.

#### **Commentary on Japanese Military Expansion**

*HK1409095089 Beijing JIEFANGJUN BAO  
in Chinese 28 Aug 89 p 4*

[Weekly Commentary" by Xi Zhihao (1153 1807 6275): "Japan Is Stepping Up Arms Expansion"]

[Text] On 19 August, Japan's Defense Agency announced that Japan's 1990 defense budget is 4,168.8 billion yen. This is Japan's first post-war defense budget which has exceeded 4,000 billion yen. This breakthrough is the inevitable outcome of Japan's energetic arms expansion and it once more shows that Japan is not willing to slow down expansion.

Drawing on its powerful economic strength, Japan has asserted on many occasions in the past few years that it wants to become a "political power" and an "international state," that is, it wants to raise its political status in the international community. However, it feels that its military strength is not sufficient and therefore it has repeatedly expressed its wish of "building up its defense power to match its national strength."

In fact, Japan has put its words into action. Strengthening its military strength and building up powerful

armed forces have always been its goal. Despite reelections of prime ministers and reshuffles of diets, this goal has remained unchanged, although slight alterations have been made in ways to express or attain it.

People have noticed that no big change has yet been made in the total number of troops in Japan. According to what has been disclosed, during the next 5-Year Arms Expansion Plan period, there is to be no big change in this number either. However, the Japanese Government and Defense Agency have their eyes on the 21st century and on the world's advanced science and technology, and have endeavored to improve the "quality" of its armed forces. Japan has made great efforts and used enormous funds to develop new and modern advanced weapons and equipment.

Several years ago, Japan's Defense Agency started all-round reforms of its ground, marine and air Self-Defense Forces, gradual restructuring of their organization, and readjustment and strengthening of the technological research and development department of the Defense Agency, and the weapons and equipment research and development organs of the three armed services. With these reforms and readjustments, the organizational structure of the three armed services has become more rational, and their efficiency has increased.

At the same time, Japan has also greatly strengthened its military ties and cooperation with the United States. Japanese-U.S. military exercises are carried out more and more frequently and at a higher and higher level. A breakthrough has also been made in Japanese-U.S. military technology cooperation. Japan's Self-Defense Forces have also obviously strengthened their training and have rationalized their weapons, equipment, and logistics work.

In short, Japan's goal is to build its Self-Defense forces into well-trained crack troops equipped with the world's advanced weapons and to become a military force not to be ignored. Observers have predicted that in the near future, Japan will become a regional military power.

What is worth pointing out is that the United States has played the role of adding fuel to the fire in Japan's arms expansion. Out of the needs of its global strategy, the United States has for many years exerted pressure on Japan, compelling Japan to share the burden of defense and hoping that Japan will lend a hand in dealing with the military threat of the Soviet Union. For this purpose, the United States has even encouraged and tacitly consented to the removal of some post-war "restrictions" imposed upon Japan by the United States. This has made Japan even bolder in arms expansion.

At present, the U.S.-Soviet relations have tended to become more relaxed. However, as far as the Far East is concerned, although the Soviet Union has repeatedly expressed its intention of reducing its troops there since last May, the United States has responded coldly. In the future, as the expiration of the service period of U.S. bases in the Philippines draws nearer, as the anti-U.S.

feeling in South Korea further heightens, and as the demand for the withdrawal of U.S. troops from South Korea becomes stronger, the role played by Japan in the region will become even more important to the United States. Japan will continue to play an important part in the U.S. strategy toward the Soviet Union and to undertake the mission of keeping the Soviet Union within limits.

For many years, Japan has used Soviet military threats as a major pretext for arms expansion. Japanese newspapers disclosed on 20 August that the basic view that "Soviet military threats still exist in the Far East" will again be written in the 1989 White Paper on Defense scheduled to be published by the Defense Agency in September. A few days ago, Juro Matsumoto, Japan's newly-appointed director general of the Defense Agency, also said that "there is no change in the Soviet military strength which has been accumulated over many years. This is particularly more evident in the Far East." "Japan has to remain highly vigilant and closely follow the trends of development in the future." Matsumoto's intention is very clear: Since threats to Japan of Soviet troops in the Far East still exist, there is no reason for Japan to slacken its efforts to increase its military strength.

Next year is the last year of the implementation of the 5-Year Arms Expansion Plan. Japan's Defense Agency and the ground, marine and air Self-Defense Forces have already put forward tentative views for the next 5-Year Arms Expansion Plan and the focus of arms expansion. They have also made a list for the purchase of major weapons and equipment. From what has been disclosed by the press, they are mainly as follows:

The ground Self-Defense Forces have planned to import U.S. continuous-loading rocket systems to increase firepower; to increase the number of helicopters by 200 (the target for the present 5-Year Plan is 400); to shorten the time for massing troops and to increase maneuverability, and to set up helicopter troops with 600 helicopters and eight anti-tank units (the target for the present 5-Year Plan is four); to increase the number of land-to-warship missile units to eight (the target of the present 5-Year Plan is 3.5.); and to set up six MLRS special units.

The marine Self-Defense Forces will concentrate their efforts on increasing the ability to defend sea passages. They have planned to build two Zeus Shield warships, and two large DDV frigates. Such frigates have a displacement of 10,000-15,000 tons and carry Britain's improved Harrier fighter-attack planes and antisubmarine helicopters. They can deal with missile attacks of fighters and bombers. Specialists said that this type of frigate was in fact a light aircraft carrier for defense.

The Air Self-Defense Forces will mainly increase their capability to defend the air space over the country and its territorial waters. They have planned to add several dozens of refuelling planes (U.S. KC10 and KC135) and several advanced warning planes.

The fact that Japan is making great efforts in arms expansion can only cause serious concern and thoughts of the people.

### **Sino-Mongolian Boundary Agreement Approved**

*HK1309012789 Beijing RENMIN RIBAO in Chinese  
5 Sep 89 p 1*

[XINHUA report: "NPC Standing Committee Endorses Decision on Ratifying Sino-Mongolian Boundary Treaty"]

[Text] Beijing, 4 Sep (XINHUA)—Decision of the National People's Congress [NPC] Standing Committee on "The Treaty Between the Government of the People's Republic of China and the Government of the Mongolian People's Republic on Sino-Mongolian Boundary Regime [bian jie zhi da 6708 3954 0455 1653] and Handling Border Issues." (passed on 4 September, 1989):

The Ninth Session of the Seventh NPC Standing Committee decided to approve and ratify "The Treaty Between the Government of the People's Republic of China and the Government of the Mongolian People's Republic on Sino-Mongolian Boundary Regime and Handling Border Issues," signed in Beijing on 28 November, 1988, by Vice Foreign Minister Liu Shuqing on behalf of the Government of the People's Republic of China.

### **Sun Weiben Receives DPRK Provincial Delegates**

*SK1209082689 Harbin HEILONGJIANG RIBAO  
in Chinese 27 Aug 89 p 1*

[Text] At the invitation of the Heilongjiang Provincial CPC Committee, an eight-member delegation of the Korean Workers Party Committee of the DPRK's North Hamgyong Province, headed by Yi Kil-ho, secretary in charge of propaganda work of the North Hamgyong provincial party committee, arrived in Harbin on 25 August for a friendly visit to Heilongjiang Province.

That evening, Sun Weiben, secretary of the provincial party committee, received and feted the Korean guests. Sun Weiben briefed the Korean comrades on the province's situation in party building, reform, and opening up. Yi Kil-ho conveyed to Sun Weiben cordial greetings from the North Hamgyong provincial party committee to the Heilongjiang provincial party committee as well as party members and people of Heilongjiang Province. During its sojourn in Harbin, accompanied by Zhou Wenhua, deputy secretary of the provincial party committee, and by Zhang Xiangling, vice chairman of the provincial Advisory Commission, the delegation visited the provincial radio and television department, the Harbin Cigarette Plant, the Harbin Wrist Watch Plant, and the Xingguang Machine-building Plant.



In the company of Zhang Xiangling, the delegation will travel to Jiamusi, Hegang, and other places for visiting and sightseeing.

#### **Liaoning Delegation Departs for DPRK**

SK1309113089 Shenyang Liaoning Provincial Service  
in Mandarin 0930 GMT 12 Sep 89

[Text] At the invitation of the Administrative and Economic Guidance Committee of the DPRK's North Pyongan Province, an eight-member delegation of Liaoning Province, headed by Zhu Jiazhen, member of the Standing Committee of the Liaoning Provincial CPC Committee and vice governor of the province, left Dandong for the North Pyongan Province in the DPRK on the morning of 11 September for a friendly visit.

When the delegation departed Shenyang on 9 September, it was seen off at the station by Zheng Silin, assistant to provincial governor; (Zhang Weiqi), deputy secretary general of the provincial government; and responsible persons of pertinent departments. Yu Manpok, consul general of the DPRK Consulate in Shenyang, also travelled to the station to see the delegation off.

When the delegation left Dandong, (Jiang Zuoti), member of the Standing Committee of the Dandong City CPC Committee and acting mayor of Dandong City; and (Wei Tianheng), vice mayor of the city, saw the delegation off at the end of the Yalujiang Bridge.

#### **Zou Jiahua Meets DPRK Hydroelectric Group**

OW1209184689 Beijing XINHUA in English  
1043 GMT 12 Sep 89

[Text] Beijing, September 12 (XINHUA)—State Councillor Zou Jiahua met here today with a power delegation from the Democratic People's Republic of Korea (DPRK), headed by Yi Chong-song, vice-chairman of the electric power industry commission.

The delegation is here to attend 42nd council meeting of the China-Korea Hydraulic Power Corporation which ended today.

### **Sub-Saharan Africa**

#### **Qian Qichen at Ethiopian Holiday Function**

OW1209184989 Beijing XINHUA in English  
1034 GMT 12 Sep 89

[Text] Beijing, September 12 (XINHUA)—Philippos Woide-Mariam, Ethiopian ambassador to China, and his wife gave a reception here this afternoon to mark the 15th anniversary of the revolution day of Ethiopia.

Chinese Foreign Minister Qian Qichen, Minister of Textile Industry Wu Wenying were among those attending the reception.

#### **Sudanese Premier Receives Ambassador Zhen Hui**

OW1309051289 Beijing XINHUA in English  
0137 GMT 13 Sep 89

[Text] Khartoum, September 12 (XINHUA)—Prime Minister of Sudan Umar Hasan al-Bashir today expressed his satisfaction over the Chinese Government's quelling of the counterrevolutionary rebellion in Beijing early June.

"The Chinese Government solved the problem in a way satisfactory both to her friends and people," said al-Bashir, also chairman of the Salvation Revolution Council of Sudan, to Chinese Ambassador Zhen Hui.

He said he hoped for a further development in the two country's relations.

#### **Song Jian Meets African Meteorologists**

OW1209184489 Beijing XINHUA in English  
1106 GMT 12 Sep 89

[Text] Beijing, September 12 (XINHUA)—State Councillor Song Jian met a group of African meteorologists here today.

The African visitors arrived here yesterday as guests of the National Meteorological Bureau.

#### **Wang Hanbin Delegation Leaves for Africa**

OW1309142889 Beijing XINHUA in English  
1356 GMT 13 Sep 89

[Text] Beijing, September 13 (XINHUA)—A delegation of China's National People's Congress (NPC) headed by Wang Hanbin, vice-chairman of the NPC Standing Committee, left here today for a visit to Guinea-Bissau, Mali, Ivory Coast and Cameroon.

### **West Europe**

#### **Container Vessel Arrives in Hamburg**

OW1209193789 Beijing XINHUA in English  
0647 GMT 12 Sep 89

[Text] Bonn, September 11 (XINHUA)—Chinese ocean-going vessel "Taihe" today arrived in Hamburg, Federal Germany.

A reception was given on board the vessel for its first voyage by China Ocean Shipping Company (Cosco) when "Taihe" reached a container terminal of the port this afternoon. About 150 guests from all circles in Federal Germany were present on the occasion.

General Manager of Cosco Europe GmbH Zhang Zongzhou said at the reception that "Taihe" is the third generation of entirely containerized ship of Cosco, possessing 2,700 positions of container in all. [paragraph as received]

This was the maiden voyage of "Taihe". It will sail to the western coast of the United States of America, and then return to China, he said.

He also pointed out that the operation of "Taihe" marked the development of Cosco flotilla, especially the container flotilla.

Facing rapid development of international shipping and ever more intense competition, Cosco would constantly improve its management and service, he said.

Cosco Europe GmbH, a Cosco subsidiary registered and established in Hamburg on February 15, 1989, mainly in charge of Cosco's shipping business in northwest Europe [sentence as received]

### East Europe

#### **Zou Jiahua Leads Delegation to Romania**

*OW1409100789 Beijing XINHUA in English  
0951 GMT 14 Sep 89*

[Text] Beijing, September 14 (XINHUA)—A Chinese Government delegation led by Zou Jiahua, state councillor, left here today for Romania to attend the 10th meeting of the Sino-Romanian Government Committee for Economic and Technological Cooperation.

## Political & Social

### Delegation Told Deng To Appear on National Day

HK1409084189 Hong Kong HSIEN WAN PAO  
in Chinese 14 Sep 89 p 1

[Report: "Delegation of Heung Yee Kuk Returns to Hong Kong From Beijing Visit; Lau Wong-fat Says He Learned That Deng Xiaoping Will Appear on National Day"]

[Text] When meeting with the delegation of Heung Yee Kuk of the New Territories of Hong Kong, State Council Vice Premier Yao Yilin, who is also a member of the CPC Political Bureau Standing Committee, said that China agrees with Hong Kong's adoption of the policy for mandatory repatriation of Vietnamese boat people and does not want to see that the boat people problem will remain unsolved after 1997.

After this, the delegation returned to Hong Kong and told the press about their meeting with Yao Yilin. Yao said: He did not think that the mandatory repatriation of boat people is inhumane, but he believed that the boat people will not be persecuted after they return home. He said: Within the scope of capability, the Chinese authorities will help Hong Kong solve the relevant problems. The Chinese Government has particularly studied the issue of the Vietnamese boat people allegedly obtaining supplies in China's coastal towns and villages.

Meanwhile, Yao Yilin said that it is now not the right time to lift martial law in Beijing and that the rumors about Deng Xiaoping's health were completely groundless. As far as he knows, Deng Xiaoping still swims half an hour every day. He personally met with Deng 3 days ago. Qin Jiwei's house arrest was also a fabricated story. In fact, he often has meetings with Qin Jiwei.

Lau Wong-fat, head of the Heung Yee Kuk delegation, also said that they were told that Deng Xiaoping will appear on public occasions during the National Day celebrations.

### Li Ruihuan 'Groomed' To Replace Li Peng

HK1409001389 Hong Kong SOUTH CHINA  
MORNING POST in English 14 Sep 89 p 1

[By David Chen]

[Text] China's new Communist Party propaganda chief, Mr Li Ruihuan, is being groomed as a successor to Mr Li Peng as Prime Minister.

The 55-year-old Tianjin party chief is now in Guangzhou, ostensibly to listen to reports from party heads of four southern provinces on how they have been conducting the anti-bourgeois liberalisation campaign.

However, informed sources said the trip was designed to give Mr Li Ruihuan an opportunity to introduce himself to southern leaders and get acquainted with the political situation there.

Sources said it could be next year before Mr Li Ruihuan's appointment would come through. This would minimise the impact that the early removal of Mr Li Peng would have on the national political structure.

Mr Li Ruihuan, who was appointed to the Standing Committee of the Politburo at the fourth plenary session of the party Central Committee in late June, was praised, together with two other new appointees—party chief Jiang Zemin and organisation chief Song Ping—by senior leader Deng Xiaoping at the end of last month for not indulging in factionalism.

At that meeting, Mr Deng was highly critical of the Cultural Revolution, accusing the disgraced Lin Biao and the Gang of Four of engaging in factionalism that had split the country and thrown it into years of turmoil.

While Mr Deng did not refer to the other members of the Standing Committee, he was apparently hinting that Mr Li Peng, and Vice-Premier Yao Yilin might be guilty of such practices.

Mr Li Ruihuan, a former carpenter, rose to prominence when, as foreman, he was given the task of building the Great Hall of the People, which was completed within six months, in time for the 10th anniversary celebration of the People's Republic of China.

Last week, the official media published a special article to commemorate the 30th anniversary of the Great Hall, where many of the most momentous official party, government and military sessions have taken place and where top leaders receive prominent world leaders and dignitaries.

Mr Li Ruihuan's feats as a carpenter and builder earned him the nickname "Modern鲁班", a demigod who protected construction workers in Confucian times.

Eighteen years later, he was to repeat that feat when he supervised the construction of the Mao Mausoleum, completing it just in time for the first anniversary, on September 9, 1977, of Chairman Mao Zedong's death.

Years later, he was assigned to Tianjin under the then party and government chief, Mr Hu Qili, a protégé of Mr Hu Yaobang and a rising star in the communist hierarchy.

When Mr Hu was seconded to the party centre in the mid-1980s, Mr Li Ruihuan succeeded him as mayor in 1982 at the relatively young age of 48.

Under his leadership, Tianjin has solved serious water supply problems, begun a major road-building program and started to pipe gas into homes to cut down on the use of coal, which contributes to the city's heavy air pollution.

He also fulfilled a promise to find new homes within six months for 150,000 Tianjin people living in shelters as a result of a devastating earthquake in 1976.

He was once regarded as a liberal but when students took to the streets in 1987 and again in April this year, Mr Li Ruihuan, by then the party chief of Tianjin, acted firmly in handling the pro-democracy movement.

In June after the Tiananmen Square crackdown, he was appointed a member of the Politburo Standing Committee to the surprise of many observers. His portfolio included propaganda, and ideological and cultural work.

There has been no indication about Mr Li Peng's new post.

#### **Liang Xiang's Dismissal Said Unrelated to Zhao**

*HK1309131289 Beijing ZHONGGUO XINWEN SHE in Chinese 1206 GMT 13 Sep 89*

[Report by staff reporter Zhao Shengyu (6392 0524 3768): "Xu Shijie Says the Dismissal of Liang Xiang Is Not Connected With the Downfall of Zhao Ziyang"—ZHONGGUO XINWEN SHE headline]

[Text] Haikou, 13 Sep (ZHONGGUO XINWEN SHE)—Xu Shijie, the secretary of Hainan Provincial CPC Committee, said here today that the mistakes of Liang Xiang are purely his own, they did not involve any so-called factional struggle, nor were they a result of the downfall of Zhao Ziyang [no title as received].

At the Third Session of Hainan Provincial Conference of People's Representatives convened today, Xu Shijie conveyed the party Central Committee's "circular on stripping Comrade Liang Xiang of his office within and without the party, and pending further investigation," and read the "investigative Report on the problems of Comrade Liang Xiang" prepared by a central joint investigative unit.

The report listed a series of mistakes committed by Liang Xiang in the economic region.

Xu Shijie said, Liang Xiang is a veteran party member, and a high-ranking cadre. But he was not able to stand up to the test of conditions under reform and opening up, and made the serious mistake of abusing his powers to procure personal interests, casting a tarnished image of veteran cadres. Xu pointed out that there are only a few like Liang Xiang in the high-ranking cadre force.

Xu Shijie claimed that the dismissal of Liang Xiang will not affect Hainan's reform and opening up.

#### **Further on Dismissal**

*OW1409051889 Beijing Domestic Service in Mandarin 0300 GMT 14 Sep 89*

[From the "Half Hour at Noon" program]

[Text] The Ministry of Supervision told news media in Beijing today: In light of the fact that Comrade Liang

Xiang committed the serious mistake of abusing his power for personal gains, the CPC Central Committee and the State Council recently decided to dismiss him from his posts as deputy secretary of the Hainan Provincial CPC Committee, member of the Standing Committee of the provincial party committee, member of the provincial party committee, and governor of Hainan Province, and to continue the investigation into his problems.

It was learned that with the support and coordination of the Hainan Provincial CPC Committee and People's Government, the Ministry of Supervision, together with the Discipline Inspection Commission of the CPC Central Committee and the Auditing Administration, seriously investigated Comrade Liang Xiang's problems and verified the findings. It has been established that during the period that he worked in Hainan, Comrade Liang Xiang committed the serious mistake of abusing his power for personal gains. At his connivance, his wife and son speculated in real estate. Two homes were purchased in his wife's name and were illegally resold by his son for a staggering profit. He personally approved the import of a bunch of cars by a certain corporation, in violation of the provincial government regulations on examining and approving import cars. His son did not participate in the transaction, yet he took the opportunity to extort a huge sum of money. In violation of the regulations, he used his power to obtain the permission for his other son to immigrate to Hong Kong from Hainan, although his son did not even settle in Hainan. In violation of the economic and financial discipline, he used public funds to purchase clothes for his personal use and to pay for his personal effects and expenses.

Comrade Liang Xiang is a veteran comrade who joined the revolution in 1935. The CPC Central Committee and the State Council held that Comrade Liang Xiang had done some beneficial things in the past. However, in the new situation of reform and opening, Comrade Liang Xiang abandoned the fine tradition of serving the people wholeheartedly, living plainly, and working hard and supported and connived in the activities of his wife and sons, which violated discipline and broke the law. He thus committed the serious mistake of abusing his power for personal gains and violating financial and economic discipline, damaged the image of the party and the government among the masses of people, and ruined the reputation of reform and opening. All party comrades and government personnel should draw the necessary lesson from the mistakes committed by Comrade Liang Xiang.

At the third session of the Hainan Provincial Conference of Deputies on 13 September, deputies unanimously supported the State Council decision on dismissing Comrade Liang Xiang from his post as governor of Hainan and on continuing the investigation into his problems.

**'River Elegy' Author, Other Dissidents Escape**

HK1409020989 Hong Kong HONGKONG STANDARD  
in English 14 Sep 89 p 1

[By Fan Cheuk-wan]

[Text] More than a dozen dissident students and intellectuals, including one of Beijing's most-wanted fugitives, are expected in France next week after fleeing China via Hong Kong.

They are to appear in Paris next Friday at the first congress of the China Democratic Front, headed by dissidents Mr Wuer Kaixi and Professor Yan Jiaqi.

Front spokesman Mr Ying Ke said the escapees fled the mainland in the last two weeks. Some are already in Paris while others are still hiding in Hong Kong.

Among the group is Professor Su Xiaokang, one of seven prominent intellectuals named in arrest warrants after the June 4 crackdown. Prof Su fled 10 days ago through southern China and left the territory yesterday for Paris.

Prof Su was a founder of the outlawed Beijing Federation of Intellectuals. Named as an instigator of last spring's "counter-revolutionary rebellion", he was once believed under arrest.

He is the fourth of the seven fugitive intellectuals to escape via the secret route. The others were Prof Yan, former Stone Corporation boss Mr Wan Runnan, and economist Mr Chen Yizi.

Prof Su is an author of the controversial television series, "River Elegy." Co-author Mr Yuan Zhiming reached Hong Kong two weeks ago and left for Paris last week.

Author Lao Gui escaped last month and left for Paris last week.

Accompanying Mr Lao was another student leader, Mr Xiang Xiaoji, head of the student delegation set up to negotiate with the government in early May.

Mr Xiang arrived in Paris last week with his wife.

Mr Ying said the intellectuals have been drafting a report on Beijing's suppression of the pro-democracy movement, to be published at the congress.

Before leaving Hong Kong, Prof Su said many of his friends had been arrested.

"I've been living in terror for the past 100 days. I hid out in villages, in forests and in the mountains," he said.

He said he had not seen his wife or young son since fleeing his Beijing home on May 20, the day martial law was imposed. He said people all over China helped him.

Meanwhile, the pro-Beijing WEN WEI PO reported that about 200 people who tried to flee the mainland through Shenzhen to Hong Kong had been arrested by border guards.

**Beijing Student Leader Arrested in Shenzhen**

HK1409060489 Hong Kong MING PAO in Chinese  
14 Sep 89 p 6

["Special Dispatch": "Zhang Ming, Member of Beijing College Students Autonomous Federation, Is Said To Have Been Arrested in Shenzhen; Border Guards Hold Victory Meeting"]

[Text] The Chinese authorities have not yet stopped their action in pursuing and arresting leaders of Beijing's student and democratic movement. Sources in Shenzhen disclosed that Zhang Ming, member of the Beijing College Students Autonomous Federation, was recently arrested there.

Zhang Ming, 24, is from Jilin City, Jilin Province. He was a student at the Automobile Engineering Department of Qinghua University, and No 19 on the wanted list issued by the Chinese authorities to all public security organs throughout the country.

It is learned that Zhang Ming was arrested by public security personnel in the urban area of Shenzhen recently but the exact date and place of the arrest still remain unknown.

Some days ago, Shenzhen's border guards held a "victory meeting" to commend and award those personnel who had rendered meritorious services in "stopping the counterrevolutionary rioters from fleeing the country." Some 16 personnel were awarded a Merit Citation, Class III [Roman three] and another 245 personnel were cited for their meritorious service.

It was disclosed that since "4 June," Shenzhen border guards have arrested 6 people involved in the democratic movement and 193 others who tried to flee the country with all kinds of false travel documents.

**Security Tightened in Beijing for National Day**

HK0609012789 Hong Kong SOUTH CHINA  
MORNING POST in English 6 Sep 89 p 12

[By Willy Wo-lap Lam]

[Text] Beijing is pulling out all the stops to ensure that the October 1 National Day will be celebrated in the capital and other major cities without mishap.

The troop strength in Beijing, which has been under martial law since May 20, remains formidable. In spite of rumours about outward troop movements, diplomatic sources believed that soldiers stationed in the capital and its environs still number close to 100,000.

In addition, commanders of the Beijing Military Region, the largest in China, could send reinforcements to Beijing at short notice.



Although enrolment in Beijing universities has been cut, ideologues and commissars on campus are ensuring that students refrain from political activities during the sensitive period.

Most first-year students are likely to spend National Day training in Army camps in the city's suburbs.

"Beijing security specialists are most concerned about conditions in other Chinese cities," a Western diplomat said.

"They are worried about isolated spurts of student demonstrations in cities ranging from Shanghai to Chengdu."

Diplomatic sources say that acts of sabotage—specially explosions on trains and railway tracks—have increased since the Tiananmen massacre.

Another security source in the capital said that Beijing had gone on alert against a possible "wave of instability"—possibly demonstrations and sabotage—instigated by "remnants of the Zhao Ziyang clique."

Party hard-liners have blamed liberals in the Zhao camp for instigating the "counter-revolutionary rebellion."

Since the massacre, most student and labour leaders who were active in the pro-democracy movement have either gone into hiding or are lying low. However, security officials still believe that if they are furnished support by Zhao loyalists, student and labour leaders could still stir up trouble.

In cities with histories of student and worker demonstrations such as Beijing and Shanghai, the authorities are spending heavily to ensure that supplies of vegetable and meat will be adequate during the four-day holiday.

According to the BEIJING DAILY, residents in the capital have on average a daily supply of 550 grams of vegetables. Supply of eggs is also plentiful.

Mr Li Ruihuan, the Politburo Standing Committee member in charge of culture and ideology, has been given the task of providing the "right" kind of entertainment and amusement during National Day holidays.

Because most artistic units in the capital have proven to be "weak and lax" towards the spread of bourgeois liberalisation, cultural units attached to the General Political Department of the People's Liberation Army and the Beijing Military Region will shoulder the task of putting out "patriotic" drama and other performances.

Cultural sources in the capital say that songs and operas associated with the Mao Zedong personality cult as well as those popular during the Cultural Revolution will be revived.

### Further on Beijing Security

HK1409074889 Hong Kong AFP in English  
0743 GMT 14 Sep 89

[By Robert MacPherson]

[Text] Beijing, Sept 14 (AFP)—Jeeplads of soldiers and truncheon-med police are patrolling Beijing in greater numbers as the Chinese authorities beef up security ahead of communist China's 40th anniversary on October 1.

The new show of force is most obvious at night, with troops and police to be seen in residential neighborhoods in the vicinity of Tiananmen Square as well as the Haidian University District in the northwestern suburbs.

But it also extends into the daytime, with increased comings and goings at district police stations and an unusual number of police cars racing through the streets with sirens and flashing red lights, according to witnesses.

Parts of Beijing have been under martial law since May 20, two weeks before tanks and troops rolled into Tiananmen Square to crush seven weeks of peaceful student democracy protests.

Until this week, however, the military presence had been reduced to only a handful of sentries at some downtown intersections and around Tiananmen Square, which is still banned to the public.

"I suspect this is going to continue until after October 1 to keep people cool," one diplomat said.

Informed sources said foot patrols have been making house-by-house searches in the hutongs, or alleys, surrounding Tiananmen Square and the Great Hall of the People, purportedly looking for stolen weapons.

Local authorities last weekend reissued a martial law decree calling on civilians suspected of stealing guns from troops during rioting on June 4 to turn them in immediately.

Checkpoints have also reappeared at night on Changan Avenue, which runs past Tiananmen Square, where police stop Chinese—but not foreign—motorists and demand identification.

One new method of patrolling Beijing was seen Wednesday night [13 September]—using open-top jeeps, fixed with bench seats at the rear, carrying up to eight helmeted soldiers armed with assault rifles.

Besides their regular number plates, the brand-new Chinese-made jeeps bore a plaque reading "martial law."

Until now, troops were usually seen riding in antiquated Liberation trucks that carry up to 33 soldiers, but are less maneuverable in a dense city like Beijing.

In residential areas around Tiananmen Square, groups of police, some armed with truncheons, have been seen sitting on sidewalks or standing about.

They variously wore uniforms or civilian clothes. Some also wore dark-red armbands.

On Jianguomen bridge, alongside a diplomatic quarter four kilometers (2.5 miles) east of Tiananmen Square, the number of sentries has been doubled. Other overpasses are similarly guarded.

In the university district, informed sources said, students have been urged by their teachers not to attempt to stage activities this week marking the 100th day since the June 4 bloodshed. The 100th day fell on Tuesday.

"The students were told that if they tried to do something, they would be caught and taken away," one source said.

Asked Thursday whether the government was aware of any plans by dissidents abroad to upset October 1 festivities, Foreign Ministry spokesman Liu Zhaoxing replied: "I have not heard of the things you've mentioned."

China has accused dissidents overseas and unnamed foreign countries of plotting to overthrow Communist Party rule.

#### Article Cites Li Peng on Public Ownership

OW0509121789 Beijing BEIJING REVIEW in English  
No 36, 4-10 Sep 89 p 4

[Article by Jin Qi: "Why China Will Not Practise Privatization"; carried under the "Notes from the Editors" column]

[Text] In his August 22 meeting with American guest Robert Abboud, Premier Li Peng said that China would give proper play to the regulatory role of the market in the process of economic reform, but its economy based on socialist public ownership must never be turned completely into a market economy. This is the latest government policy statement on adherence to the socialist road during the ongoing reform since the quelling of the anti-government riot in Beijing on June 4.

Plotters of the turmoil declared that "the attempt at socialism has failed," preaching the need "to sound the death knell of public ownership at an early date and to greet the republic's tomorrow." However, they have never been able to present any convincing argument. In this short essay, we do not want to and cannot conduct related theoretical discussions. The scientific theory of Marxist classical works long ago presented incisive expositions on the inevitable replacement of capitalism by socialism. Despite changes in the subsequent situation, this general historical trend remains unchanged. Here, in the perspective of history and reality, we just want to deal with the question of why China does not go in for privatization, but rather will keep to the socialist path based on public ownership.

First a basic fact is: China's following of the socialist road is a historical choice, an option taken by the people. In June 1949, on the eve of the birth of the People's Republic of China, Mao Zedong, in his article "On the People's Democratic Dictatorship," described at length how, after China's defeat in the Opium War in 1840, progressive Chinese, from Hong Xiuquan of the Taiping Heavenly Kingdom to Dr Sun Yat-sen, forerunner of the democratic revolution, attempted to seek truth from the West and learn from capitalism, repeatedly failed. [sentence as published] Finally it was the Communists that turned to socialism. Anyone who has learnt the history of more than one hundred years before the founding of the People's Republic can understand that under the oppression of imperialism, feudalism and bureaucrat-capitalism which weighed down on the Chinese people like three big mountains, not only did the labouring people live in dire poverty, but the existence and development of the national bourgeoisie was inhibited and their future uncertain. Therefore, to put it in clear and precise terms, the Chinese people were driven by merciless historical facts to embark on the socialist road.

Secondly, over the past 40 years since the birth of the People's Republic, although China has had many faults, made errors and suffered setbacks in its socialist economic construction, on the whole it has scored unprecedented achievements. In 1950-88, as its gross national product grew at an average annual rate of 7.1 percent, China solved the problem of feeding and clothing its more than 1 billion people, providing them with necessary social security, and boosting the average life expectancy from 35 to 69 years. To date, China has established an independent and comparatively complete industrial system; its nuclear power, astronautics and other high-tech industries have made remarkable progress; and the growth of its economic strength has supported the state's political independence, so that the present government has become the only stable and efficient government of China within this century, and has won notable international standing. These achievements are not inferior to those of countries whose situation was similar to that of old China but which have been practising capitalism.

If we abandoned the economic foundation based on public ownership and practised privatization, serious polarization between the rich and the poor would inevitably emerge, a tiny handful of people would become millionaires or even billionaires, while the overwhelming majority of people would again be plunged into the plight of being exploited and oppressed. Nationwide political turmoil would occur, our independent international status would be lost, and it is not impossible that China would once again be controlled, dismembered and partitioned by foreign forces of aggression. People will come to understand this as long as they review this section of modern Chinese history.

Thirdly, reform of the economic structure over the past decade has injected fresh vigour into publicly owned enterprises which have a promising future and any defeatist theory is groundless. In recent years, influenced



by the bourgeois liberalization trend of thought, some news media at home have shown little interest in reporting on, or have been played down publicly owned enterprises, as if state-owned enterprises were necessarily inefficient and incapable of remedy. Zhao Ziyang, who was recently removed from his posts, once openly called on state-owned enterprises (owned by the whole people) to learn from the management system of township enterprises. These views are inconsistent with reality.

By the end of 1987, China had 1.2 million industrial enterprises, of which 9,865 were large and medium-sized state-owned enterprises (0.8 percent) and 1.18 million were small collectively owned enterprises (99.2 percent) including 1 million (80 percent) rural industrial businesses. Judging from the major economic indexes based on state statistics for 1987, the economic results of state-owned enterprises were generally better than those of other types of ownership systems.

#### **Li Peng Discusses Child Care, Training**

*OW0609115089 Beijing XINHUA in English  
1055 GMT 6 Sep 89*

[Text] Beijing, September 6 (XINHUA)—Training the younger generation into people who cherish lofty ideals and develop morally and intellectually and have a strong sense of discipline is the need in turning China into a prosperous country, Chinese Premier Li Peng said here today.

Addressing a national forum on "quality birth, upbringing and education", the Chinese leader said it is a comprehensive and unprecedented undertaking for China to ensure children's healthy growth with regard to their birth, family upbringing and school education.

China still has many problems and shortcomings in this regard, which calls for relevant policies and immediate attention from both the government and the society as a whole, he noted.

He asked the public health, commercial and production departments to pay attention to children's health and production of children's food, toys and daily-use articles.

The education departments should strictly carry out the law on the nine-year compulsory education, and the culture departments should provide more decent books, periodicals, and audio and video products catering to the needs of children, the premier said.

The State Council, China's highest governing body, has decided to establish a leading group to coordinate the work concerning women and children, Li Peng said, adding the group will include people specialized on children work.

The four-day forum was sponsored by the National Coordination Committee on Children's Work and the

All-China Women's Federation, and participants in the forum will have detailed discussions on issues related to children.

#### **Li Ruihuan Urges Antipornography Drive**

*OW1309143589 Beijing XINHUA in English  
1351 GMT 13 Sep 89*

[Text] Guangzhou, September 13 (XINHUA)—A senior leader of the Chinese Communist Party has urged that the national campaign to eliminate pornography and other objectionable publications be stepped up.

Li Ruihuan, a member of the Standing Committee of the Political Bureau and member of the Secretariat of the Chinese Communist Party Central Committee was addressing a meeting which was held here September 10 and 11 and attended by leaders from Guangdong, Fujian, Zhejiang and Hainan Provinces.

Li said that leaders at various levels have paid great attention to this work. In most areas, key party and government leaders have taken charge of the work. The broad masses of the people have given it firm support, and the campaign is developing in a healthy direction, he said.

Li said the elimination of pornography and objectionable publications is an important part of implementing the decisions made at the fourth plenary session of the 13th party Central Committee.

The present task is to uproot the sources of this evil, he said. He pointed out that some coastal cities and towns have smuggled in and copied pornographic video tapes, books and magazines and then sold them in the inland areas.

While promoting the elimination campaign, Li stressed, work should be done to promote wholesome culture and invigorate the people's cultural life.

He asked propaganda and cultural departments to do their best to prepare the celebration of the 40th anniversary of the People's Republic which falls October 1.

#### **XINHUA Interviews Beijing University President**

*OW1309144889 Beijing XINHUA in English  
1334 GMT 13 Sep 89*

[Text] Beijing, September 13 (XINHUA)—Wu Shuqing, new president of Beijing University (Beida), has stressed that the university should attach primary importance to a firm and correct political orientation while maintaining its role as a pioneer in the academic arena at home and abroad.

In his first interview since he assumed the position last month, Wu said today that this consistent guiding principle had been obscured owing to the two former party general secretaries' failure to give enough stress to political and ideological work.

Wu, an economics specialist, held that Beida should train professionals with socialist consciousness while providing quality scientific research achievements.

The 57-year-old new president said that some parents of his students had written to him, urging the university to set strict requirements on the students. "It's our duty to take care of the students politically and professionally," Wu said.

He said, the university would strengthen its ideological working contingent, encourage teachers to attach equal importance to the students' academic and moral development, and carry out education among students about ideals, discipline and ethics, as well as Marxist-Leninist theories.

"Beida's most glorious tradition is its adherence to Marxism-Leninism," the president said.

Wu, former vice-president of the People's University of China, said, "I feel that the overwhelming majority of Beida's teaching staff support the central authorities and realize the harm which resulted from the anti-government riots."

He continued, "The teachers are preparing to help students make up the classes missed during the riots."

More than 3,000 of the 12,000 students of the university have returned to campus, one month ahead of the opening of the new semester scheduled for October 14. The university library, with more than 1,000 seats, is always full of students.

"After a period of reflection," President Wu said, "Most students have come to realize that what happened earlier this year were really social unrest and a counter-revolutionary rebellion, and that students were taken advantage of by a handful of people who plotted this unrest."

The new president praised his predecessor, Professor Ding Shisun, for his contributions to the university, adding that Ding continues his teaching in the Mathematics Department and tutors candidates for doctor's degrees. "Ding is at present at Nankai University in Tianjin for one month as a visiting lecturer," he said.

Speaking about academic development, Wu assured that different views and schools of thought will continue to contend under the guidance of Marxism and on the basis of adherence to the four cardinal principles (adherence to the socialist road, the people's democratic dictatorship, leadership by the Communist Party and Marxism-Leninism-Mao Zedong Thought—Ed.).

"However," he said, "there is no place on the university campus for bourgeois liberalization because it is a political, not an academic question." For example, he said, it is absolutely forbidden to advocate—as Fang Lizhi and his wife, Li Shuxian, did—slogans such as "disband China" and "import a foreigner to be China's premier".

Speaking of the postponement of the beginning of the new term, the president said that Beida was one of the universities most gravely affected by the riots and needs more time to prepare academically and logistically.

He attributed the reduction of enrollment of freshmen to the shortage of school buildings and difficulties finding jobs for graduates of such majors as history, philosophy, astronomy and physics.

The president described military training for freshmen of the university as an experiment, saying that this kind of training has been carried out by all the key universities and colleges throughout the country in recent years.

### Wang Bingqian Outlines Tax Collection Tasks

OW0509234589 Beijing XINHUA Domestic Service in Chinese 1401 GMT 5 Sep 89

[By reporter Ding Jianming (0002 1017 6900); from the "Local Broadcast News Service"]

[Text] Beijing, 5 Sep (XINHUA)—State Councillor and Finance Minister Wang Bingqian stressed here today that tax departments must consider it as one of their main projects this year to effectively improve the system of collecting taxes from all types of corporations, independent business operators, and private enterprises.

Addressing the national tax conference, which came to a close today [5 September], Wang Bingqian said: The main issues of the ongoing economic retrenchment in the country include: effectively controlling inflation, holding down commodity price rises, reversing oversupply of currency, and achieving a general balance between receipts and payments of revenues, credits, and foreign exchange, as well as [supply and demand of] commodities so that the national economy can maintain a relatively steady growth.

Wang Bingqian pointed out: To achieve these objectives, we must bring the state's tax system into full play. The excessive number of corporations of various descriptions in China today jeopardizes normal commodity circulation, disrupts the market, and infringes upon the interests of the state and the people. On the other hand, many of the independent business operators and private enterprises have become "nouveaux riches" through illegal operations, tax evasion, and other tax frauds, and have exacerbated the unfair distribution situation in our society.

Wang Bingqian stressed: Improving the system of collecting taxes from independent business operators and private enterprises absolutely does not mean stopping the development of independent and private economies, nor does it mean increasing their tax burdens. It aims at collecting taxes which they should pay according to law so that the policy of the party and the government on developing independent and private economies can be

implemented more successfully, and so that these economies can be operated and developed legitimately and soundly.

### State Council Cites Tax Inspection Goals

OW0509042889 Beijing Domestic Service in Mandarin  
2130 GMT 4 Sep 89

[From the "National Hookup" program]

[Text] The State Council issued a circular recently on the national general inspection on taxation, financial affairs, and commodity prices that will be conducted this year.

The circular points out: General inspections on taxation, financial affairs, and commodity prices have yielded great successes over the past few years. However, violations of financial discipline and the law by many units remain very serious problems. The widespread corruption that exists, in spite of the inspections, is due in large part to the repeated violations of decrees and banned activities. We must stop such actions firmly.

The circular says: The general inspection will focus primarily on revenues that should have been collected, extra-budgetary funds, price violations, and various consumption funds. The key targets of the inspection are competent economic departments at all levels; law-enforcement organs that have revenues as the result of confiscations and fines; state-run large- and medium-sized enterprises; major money losers; collective enterprises that have made a large amount of revenue this year; companies engaged in commerce, supplying materials, and foreign trade; and units and enterprises that manufacture or deal in major capital goods and consumer durables in short supply. At least 30 percent of such enterprises are to be selected as key targets of inspection. The percentage should be higher in localities where there are less large- and medium-sized enterprises.

An official of the State Council office in charge of the inspection told reporters: Two things are crucial to the success of the inspection. First, it is necessary to carry out self-examination well and prevent perfunctoriness. Second, it is necessary to inspect and punish strictly those units that have failed to conduct self-examinations and that inspection groups sent by higher-ups found to have violated financial discipline and to solve, once and for all, the problem of repeated violations in spite of yearly inspections.

It has been learned that the general inspection on taxation, financial affairs, and commodity prices will be completed for the most part by the end of the year. All problems uncovered in the course of the inspections must be published in the units along with the nature of any violations and the punishment administered. A notice of criticism on some selected cases that merit publicity should be circulated within the district or department or even throughout the country. Cases in which gross violations are involved should be handled publicly through the news media, including the press,

radio, and television. The various provinces, autonomous regions, municipalities, and cities with provincial-level decision-making authority should select several typical cases to publicize.

### Li Tieying Inspects Jilin 1-4 September

SK0609120089 Changchun Jilin Provincial Service  
in Mandarin 2100 GMT 4 Sep 89

[Text] On the morning of 4 September, Li Tieying, member of the Political Bureau of the CPC Central Committee, state councillor, and concurrently minister in charge of the State Education Commission, stressed at a forum with responsible comrades of some schools of higher learning in Changchun: To ensure that the political and economic situation of the entire country is further stabilized, the most important task at present is to continue to unswervingly implement the guidelines of the fourth plenary session of the party Central Committee, unify our thinking, enhance our understanding, and work hard. This is not only a task for the entire party, but also a task of prime importance for schools of higher learning.

Li Tieying made a 4-day inspection tour in our province from 1 to 4 September. At the forum held on the morning of 4 September, Comrade Li Tieying earnestly listened to reports on implementation of the guidelines of the fourth plenary session of the party Central Committee, given by responsible comrades of the Jilin University, Jilin Engineering Institute, Dongbei Teachers' College, and Changchun (?Medical College). [Passage indistinct] We should be determined to carry through to the end the guidelines of the 4th plenary session of the 13th party Central Committee, uphold the four cardinal principles, and oppose bourgeois liberalization. We should never (?flinch from) this, but should be resolute. In the future, party committees of the schools of higher learning should study ways to carry out the four cardinal principles on a long-term basis and truly turn the schools into an education front, which is imbued with Marxism-Leninism-Mao Zedong Thought and which trains and educates people with the four cardinal principles, and should never deviate from (?the four cardinal principles).

Second, we should learn to correctly understand and handle the student unrest and turmoil emerging in the socialist conditions. Comrade Li Tieying emphasized: The spearhead of the recent turmoil is to negate the four cardinal principles and undermine stability and unity. The greatest concern shown to young students is education—clearly indicating the direction for them with a clear-cut stand at the crucial moment of political struggle and indicating a correct road for them. We should accumulate experiences in this from the recent storm.

Third, schools of higher learning should conscientiously strengthen ideological and political work. Comrade Li Tieying pointed out: The focus of the ideological and political work of the schools is to successfully build the party organizations of [words indistinct]. We should improve the party organizations in the ranks of teachers



and truly give play to the role of party organizations and the vast number of party members as vanguards and models at schools. For some time to come, party committees of the various schools of higher learning should exert great efforts to succeed in this work and continuously upgrade the political quality of teachers.

Comrade Li Tieying also stressed: There should be definite objectives in the ideological and political work of universities. We should adopt various measures to conduct convincing education among university students on patriotism, socialism, and communism, and help them foster a correct outlook on life, upgrade [words indistinct] and political awareness, increase their ability to distinguish right from wrong, and take the initiative in resisting the corrosion of the corrupt idea of bourgeois liberalization.

Comrade Li Tieying also urged university students, particularly those studying social sciences, to go deep into the society, keep the reality in mind, and integrate with workers and peasants.

Fourth, the work of rectification, checking, adjustment, and strengthening should be regarded as a systems engineering project, and should be carried out. Comrade Li Tieying pointed out: Problems concerning the turmoil, no matter who was involved, should all be clarified, and right should be clearly distinguished from wrong. Those who violated the criminal law should be handled according to law. This should not be taken as something leftist, still less as squaring accounts after the autumn harvest. We should not allow any person to overstep the law.

Comrade Li Tieying also urged the schools of higher learning to strengthen party leadership in the process of rectification, checking, and adjustment, do a good job in [words indistinct], and correct such unhealthy trends as [words indistinct], and live up to the expectations placed on them by the party and the people.

In conclusion, Comrade Li Tieying extended festive greetings to the vast number of teachers throughout the province. He stressed: The party's policy on intellectuals will not change. Respecting teachers and attaching importance to education will always be a virtue of the Chinese nation.

He Zhukang, secretary of the provincial party committee, presided over the forum. Attending were Wang Zhongyu, deputy secretary of the provincial party committee and provincial governor, Wang Yunkun, provincial vice governor, and Wu Yixia, Standing Committee member of the provincial party committee and secretary of the Changchun City party committee.

During his stay in our province, Comrade Li Tieying also went to the Yanbian Korean Autonomous Prefecture to conduct inspection, and held discussions with some students of schools of higher learning and [words indistinct].

In Changchun, he also held discussions with some students of the Jilin Engineering Institute and Dongbei Teachers' College. Comrade Li Tieying left Changchun on the afternoon of 4 September.

#### **Li Tieying Addresses National Junior Games**

*OW0709033289 Beijing XINHUA Domestic Service in Chinese 1412 GMT 6 Sep 89*

[“Local Broadcast News Service”]

[Excerpts] Shenyang, 6 Sep (XINHUA)—[Passage omitted] The Second National Junior Games opened at 1500 today [0600 GMT, 6 September]. The opening ceremonies were lively, well-organized, and simple. [passage omitted]

Vice President Wang Zhen, who is 82, took a special trip to Shenyang to attend the ceremonies. He presented Liaoning Governor Li Changchun with a flag of the national games with a design symbolizing determined effort.

State Councillor Li Tieying, who is also member of the Political Bureau of the Central Committee of the Communist Party of China, spoke at the opening ceremonies. He extended warm congratulations to the national games on behalf of the party Central Committee and the State Council and urged the young athletes to display fine sportsmanship and unyielding fighting spirit in striving for a higher level in the competitions.

During the junior national games, 26 Olympic events will be competed in. [passage omitted]

Liaoning Governor Li Changchun and Jin Bingjie, representative for athletes who had just broken the world record on the heel-and-toe race, also spoke at the opening ceremonies. [passage omitted]

#### **Recruits Issued Urban Resettlement Cards**

*HK0609025689 Beijing CHINA DAILY in English 6 Sep 89 p 1*

[By staff reporter Liang Chao]

[Text] China is trying out a system of issuing a resettlement card for its new Army recruits from cities and townships in some areas in a bid to tighten the control of urban employment.

According to the new system, only those servicemen holding urban resettlement cards can expect to be assigned jobs by the government after their discharge from military service, an official from the Ministry of Civil Affairs told CHINA DAILY yesterday [5 September].

“Those who do not have such cards will have to find jobs by themselves in these regions,” the official said.

At present the system has already been put into operation in nine provinces and autonomous regions where

jobless youths are eager to join the PLA in the hope of finding a job after their term of service.

The number of soldiers recruited from China's cities and towns has exceeded the state-set target in some parts of the country in recent years, according to the official.

"This has already created some difficulties in resettling the large number of ex-servicemen," Zou Shiyu, division chief of the department of ex-servicemen resettlement under the ministry, said.

The state has to assign jobs for demobilized servicemen who were recruited from urban areas in accordance with current regulations issued by the State Council at the end of 1987.

Although the State Council stipulated that the percentage of servicemen recruited from urban areas should be limited to between 20 and 25 percent of total recruitment, the rule has been broken in many parts of the country.

The official was concerned that "this problem will probably have an unfavourable influence on the stability of some areas."

He urged the State Council and the PLA authorities concerned to intensify the limitation of servicemen recruited from township and urban areas by working out definite stipulations.

The total number of ex-servicemen annually has been about 700,000 or more in recent years. Of them, about 200,000 are recruited from urban areas.

China had 2.86 million people unemployed in its urban areas by the end of July.

### Yan Jiaqi's Book 'On Head of State' Criticized

OW0609082789 Beijing GUANGMING RIBAO  
in Chinese 2 Sep 89 pp 1, 2

[Article by Zhong Hai (6988 3189): A Program for the Vain Purpose of Establishing a Bourgeois Republic—Commenting on Yan Jiaqi's 'On Head Of State' (shou nao lun 7445 5207 6158)] —GUANGMING RIBAO [headline]

[Text]

### A Book Fully Decorated with Garlands and Laurels

"On Head of State" is a representative work of Yan Jiaqi, a representative figure advocating bourgeois liberalization. It is the major book that brought him promotion, important job offers, and great "fame." Yan Jiaqi said: "As soon as it was published in September 1986, I dedicated it to the Premier of our republic Zhao Ziyang." In October 1986, Yan Jiaqi was assigned to the Central Research Group for Reform of Political Structure. The group, with Bao Tong as its director, was in the direct charge of Comrade Zhao Ziyang. "On Head of State" was once very popular, and was appraised by a

scientific research department as "a theoretical work of high academic standards greatly influencing China's political science at present." Yan Jiaqi regards the book as his "leading representative work, new viewpoints, and major achievement."

He said: On 3 September 1986, the Shanghai People's Publishing House held a press conference for the publishing of "On Head of State." During the conference, I answered reporters' questions and then delivered a speech on the present situation and reform trend in China's political structure. After "On Head of State" was published, an upsurge of "opposing bourgeois liberalization" was whipped up in China. However, it was at that time that "On Head of State" had been circulated throughout China. In 1987, 310,000 copies rolled off the press in 6 successive printings. In early 1987, the Xinhua Bookstore in Guangzhou rated "On Head of State" as 1 of the 10 bestsellers of 1986. Hefei City in Anhui Province held the first meeting of East China region to select outstanding books on political science theories, at which "On Head of State" won the first-class prize. At a Beijing public "book appraisal" meeting, "On Head of State" won the 1987 "Golden Key Prize." Soon after it was published in Shanghai, the China Bookstore in Hong Kong and the Yuanliu Publishing Company in Taiwan published the "overseas edition" and the "Taiwan edition" of "On Head of State" respectively. The "Chin-shih Cultural Plaza" in Taiwan held a public book appraisal and "On Head of State" was rated as one of "Taiwan's 10 most influential books in 1987."

It was in this way that "On Head of State" was decorated with so many garlands and laurels and praised to the skies. Since the book is so influential, we have to analyze it and find out what its influence is. Since it was appraised as "outstanding political science theories," we must study it and find out what the "outstanding political science theories" are.

It is also because Yan Jiaqi always regards "On Head of State" as something to counter the struggle against bourgeois liberalization that the book merits our attention. He said repeatedly and arrogantly: "Soon after 'On Head of State' was published, we ushered in the soul-stirring early spring of 1987. Nevertheless, it was precisely in that kind of atmosphere that 'On Head of State' was circulated throughout China." The "early spring" atmosphere cursed by him meant the struggle against bourgeois liberalization in 1987. Yan Jiaqi had a reason to be immensely proud and arrogant then. The struggle against bourgeois liberalization came to a premature end because Zhao Ziyang reversed the direction of the struggle and suppressed and dealt blows at Marxists who had upheld the four cardinal principles and the struggle against bourgeois liberalization. Zhao Ziyang also supported and connived with the representative figures who advocated bourgeois liberalization, and caused the serious consequences of further rampancy of bourgeois liberalist thinking and "spreading everywhere" of the reactionary speeches by representative figures of bourgeois liberalization. The event is still fresh

in our memory. However, history has turned a new page. Yan Jiaqi and other representative figures of bourgeois liberalization, the "elite" who created the turmoil, have been nailed to a pillar of shame. He and his "On Head of State" of course cannot escape the judgment by history and practice.

### Arbitrary Pseudoscience

As the reader turns the pages of this book, which claims to be "a theoretical work of high academic standards greatly influencing China's political science at present," he will be puzzled to find out that many chapters are devoted to the following subjects: "Food for Head of State," "Presents for Head of State," "The Family of Head of State," "Foreign Trips by Head of State," "Security Measures for Head of State," "Head of State Dies of Natural Causes While in Office," "Life of Head of State After Leaving Office," "Marriage Before Becoming Head of State," "Marriage While He Is in Office," "Divorce of Head of State," and the "Private Life of Modern First Ladies." For ordinary people, these subjects could hardly belong to the realm of political science theory. Yan Jiaqi created these subjects of political science merely to give a narrative of some anecdotes involving some mystified heads of state. It is shallow, tasteless, and free of any theory or research. Yan Jiaqi believes that "the style of marriages of heads of state itself can constitute a history." (p. 254) What are his major discoveries in the "history" he summed up? Let us read this view of his: "The king's daily life is subject to the watchful eye of the entire court. It is, therefore, difficult even for the king to have a 'rendezvous' with his mistress." For Yan Jiaqi to develop such a dull theory there must be some tasteless foundation to base it on. "On Head of State" gives a detailed account of "King Louis XIV falling in love with the 17-year-old Louise de La Valliere the year after he married the Spanish princess." It gives a vivid account of the "trysts" of U.S. Presidents Harding and Johnson and others with their mistresses. As for the account that "Queen Elizabeth I, who remained single all her life, had many lovers" and so on and so forth, they will not be cited here one by one. What makes these accounts superior to pornographic novels is that Yan Jiaqi, from the high plane of political science, generalized them as "extramarital affairs of heads of state" and made "theoretical" explanations for them. After all, adultery is adultery; Yan Jiaqi's extolling it as "love" is indeed a first in political science. Such tasteless prettifying of the licentious life of representative figures of the exploiting class will probably even be pale beside public opinion in some capitalist countries. As we all know, not long ago Japan's former Prime Minister Uno and Cabinet Secretary Yamashita were ousted from office because of sex scandals.

For Yan Jiaqi, the replacement of the head of state's mistresses, a president's "tryst," and the king's "rendezvous" with his mistress all become political science theory. This cannot but remind people of Duhring's arbitrary pseudoscience, which Engels once scathingly denounced. Compared with him, Yan Jiaqi has gone

even further. Passing off these shallow, tasteless stuff as political science theory shows that Yan Jiaqi has degenerated into a theory swindler; it shows that one of the prominent characteristics of this representative advocate of bourgeois liberalization is his amazing shallowness in his understanding of theory. Those who are familiar with Yan Jiaqi know that he is a political scientist who has never systematically studied any important work of Marxism. He first majored in mathematics, but he knew that he would never be able to make a name for himself even after years of hard work and therefore he turned to study dialectics of nature. After staying for a while at the dialectics of nature office under the Institute of Philosophy of the Philosophy and Social Sciences Division, he again found himself in the wrong discipline. Studying dialectics of nature requires solid knowledge of natural sciences and Marxism-Leninism. At that time, however, he already forgot most of the mathematics he had learned and was unwilling to study Marxism-Leninism. He was the only researcher at the dialectics of nature office who refused to study Engel's "Dialectics of Nature." After giving it a lot of thought, he decided that to make a name for himself, he must bid farewell to dialectics of nature. The example of "blank-examination-paper hero" who became famous overnight by turning in blank examination paper during the final stage of the "Cultural Revolution" inspired and made an impact on him. During a visit to Xiyang County in 1976, together with other comrades of the Institute of Philosophy, Yan Jiaqi, upon hearing that the "blank-examination-paper hero" was also there, tried in every possible way to establish a contact with him; he was criticized by others for this. What merits our deep thought is that the shallow, tasteless "On Head of State" by a person like Yan Jiaqi who never studied Marxism-Leninism could be acclaimed as "an outstanding book on political theory" and was awarded honor after honor is a gigantic satire on our theoretical and publishing circles. It shows how serious the ideological confusion in our theoretical and publishing circles has become.

### The World Outlook of Bourgeois Adventurist

In his "On Head of State," Yan Jiaqi often boasted that he stands at the altitude of "the 20th century of today," "the 21st century," and "the 3d millennium." He reviewed the entire history of mankind, and studied all the theories applicable to the whole world and mankind. In his preface, he said: "There is no restricted zone in science"; "as far as science is concerned, everything in the world that surrounds us should become an object of scientific study." But what puzzles one is that when he wrote "On Head of State" this political scientist, who lives in socialist China and was a member of the Communist Party at that time, did not include the heads of state of socialist countries as the object of his study, and neither did he mention any word on socialism nor any leader of socialist countries. Yan Jiaqi admitted that his book "On Head of State," which covers nearly 500 heads of state, "does not include any head of state from socialist countries." One must state that this is an



unconvincingly serious contradiction. Since this book is named "On Head of State," it should logically include a study on the heads of state from socialist countries. Otherwise it should be called "On Heads of State of Capitalist Countries" or "On Heads of State of Exploiting Countries."

One of the marked characteristics of "On Head of State" is that it did not mention a word about the opposition between the proletariat and the bourgeoisie and between socialism and capitalism. This 260,000-character book which speaks so much about the heads of state of the capitalist world is almost devoid of words mentioning bourgeoisie or capitalism. In "On Head of State," he used words such as "crowds" and "masses" and avoided referring to class. Yan Jiaqi defined a head of state like this: "Head of state or leader is the personification of the process of mass social psychology." He used these ambiguous "mass" concepts to conceal and obliterate the class nature of heads of state of capitalist countries as well as the capitalist nature of exploitation and rule. On the definition of "state power," he said: "State power is the power held by state institutions and officials." He deliberately used the superficial phenomenon of state power to conceal the central point at issue; namely, which class is holding state power. When he discussed a series of major political issues such as "main bodies of power," "relationship between powers," "types of power," and "types of political structure," he did not mention about the opposition between the proletariat and the bourgeoisie and between socialism and capitalism.

The Marxist viewpoints on class and class struggle are the basic viewpoints of Marxism. The Marxist class analysis method is one of the basic methods of Marxism. "On Head of State" takes a clear-cut stand in opposing the Marxist viewpoints on class and class struggle as well as the class analysis method. It clearly exposes the fact that Yan Jiaqi has completely departed from his proletarian stand and has openly betrayed Marxism.

The purpose of writing "On Head of State," says Yan Jiaqi in his preface, is to present it as a gift to "people who wish to become and will become a head of state." His personal wish to become a head of state was puzzling. He very much admires Japanese Prime Minister Kakuei Tanaka's "demonstration of exceptional vitality in quest of power (p 125); he praises Lincoln's "determination to become president" (p 126); he admires "Takeo Miki's craving for the office of the prime minister." (p 127) Having learned the truth from all these great men, Yan Jiaqi concludes after sighing with emotion: "It may be said that 'a craving for becoming a head of state' is precisely an important condition for becoming a head of state." He adds that "to become a head of state, one must set his mind to it." (p 127) In this way Yan Jiaqi dreamed of becoming a head of state. He writes in his "On Head of State": "When heads of state of various countries of the world meet at the UN General Assembly or at the funeral of a head of a state, we can gather that these personages have reached the top of positions and power from different paths and strata in mankind's

society." (p 78) Yan Jiaqi is different from other people. When heads of state meet, he is not interested in what they say but "thinks" about how these personages "have reached the top of positions and power." In the preface for "On Head of State," he says, "To thoroughly understand the people, it is necessary to scale the peak of power," thereby disclosing his personal ambition.

Besides admiring how an individual has scaled the peak of positions and power, Yan Jiaqi also devotes his energy to "studying how leaders reach the peak of power" in his "On Head of State." What are the conclusions of his study? First, he believes that "on the path leading to the position of a head of state, one must secure one position after another that is closer and closer to the office of a head of state." He says that "the process of scaling the peak of power can be summarized in three stages: The early stage—entering the political world and striving to become a head of a state; second, he says, "one has to learn the art for the political arena if one wants to become a head of a state." [In the third stage] he sums up this experience: "In marching against the regime, it is necessary to resort to schemes and stratagems in addition to having a definite objective." (p 110) Yan Jiaqi generalizes these schemes and stratagems as "the art on the political arena" and "political strategy," which includes "dealings behind the scenes," "exploiting the contradictions among various factions," "adventures," "the ability to subjugate people," "knowledge," "strong confidence," and so on and so forth. This stuff about "schemes" and "art" summarized by Yan Jiaqi is out and out conspiracy and machinations, which are more sinister and cunning than Lin Ligu's "571" coup d'etat plan. This is a complete theory on conspiracy and has no academic quality to speak of.

The theory and the thought on "scaling the peak of power and positions," summed up Yan Jiaqi in separation from the proletariat and the proletarian revolutionary practice, are totally based on the idealist concept of history; they are naked personal ambition and have nothing in common with the Marxist theories on masses, classes, political parties, and leaders. Proletarian leaders come to the fore during the historical development of revolutionary practice. They are outstanding proletarian revolutionaries and strategists elected by the proletariat and proletarian political parties. The qualities of proletarian leaders and their formation are diametrically opposed to the theory on conspiracy summarized by Yan Jiaqi. It was not accidental at all that Yan Jiaqi degenerated to become the planner and organizer of the counterrevolutionary rebellion as well as a shameless traitor. His world outlook of an individual bourgeois careerist is totally exposed in his "On Head of State." His fate has been the inevitable outcome of the development of this world outlook.

#### **Reactionary Program for Establishing a Bourgeois Republic**

"On Head of State" discusses the daily life of heads of state and the state political structure. It touches on many



topics here and there but the core issue and main point is the proposition of a social system.

"On Head of State" paints a beautiful picture about the modern capitalist system from the beginning to the end. It boldly describes the political structure of today's U.S. capitalist system as a perfect model since the beginning of mankind. From the view of the law of social development, the book generalizes 10 "standards" for a "perfect political system." Yan Jiaqi was afraid that he might reveal his hostility toward the socialist system and his evil intent to take the capitalist road a little too early. So he generalized only the "political system" before the "1917 Russian October Revolution." But the ridiculous thing is that the contents in all the 10 "standards" deal with the political system of contemporary capitalist society. For example, the "impeachment system" listed in the "standards" describes events leading to the impeachment of President Nixon. Anyone with a general knowledge and memory will know that the impeachment of President Nixon did not take place more than 70 years ago. Such examples are abundant in the book. By trying to hide his motive, Yan Jiaqi has given himself away.

First, in its blueprint for establishing a bourgeois republic, "On Head of State" explains the type of constitution to be drawn up. Yan Jiaqi understands that a constitution stipulates the nature of a country's social system. He wrote: "In the 20th century of today, nearly every country in the world has a constitution. A constitution stipulates the country's social system and the basic principles of the state system." But this "famous political scientist" who "stands for the 20th century of today" did not speak a word about the socialist constitution or the constitution of the People's Republic of China, but looked upon the U.S. Constitution as the model of a "perfect political system." One of the "standards" generalized by "On Head of State" as a "perfect political system" is: "Establish the basic principles of the constitution and explicitly stipulate in the constitution or basic laws that these basic principles must not be altered." He praised the U.S. Constitution drawn up in 1787 where many principles in it have not been altered for 200 years. In his view, the stability of the basic principles of the U.S. Constitution symbolizes the "perfection of the U.S. political system." This support undoubtedly implies that the basic principles of safeguarding bourgeois exploitation and rule stipulated in the U.S. Constitution should remain forever.

During the turmoil and the counterrevolutionary rebellion, Yan Jiaqi did his best to pretend that he was defending the constitution and abiding by its principles. On 26 May, he published an article in a certain Hong Kong paper, entitled "Resolving the Present Problems in China Within the Framework of Democracy and the Legal System - A Letter to Li Peng", calling for "the use of avenues stipulated in the constitution", "to topple the government of Li Peng". Actually, he harbors deep hatred and strong opposition for the constitution of the People's Republic of China. After the failure of the counterrevolutionary rebellion in which he had a hand in

planning, he escaped to Hong Kong and at once revealed his opposition to the constitution of the People's Republic of China. On 26 June, he issued an open letter in Hong Kong, saying: "I hope the China of the future...will draw up a constitution that is everlasting and which will eliminate political disasters like the one today. I would like to include in the constitution's basic principles, separation of the three powers, a federal system, and a national, nonpoliticized army." The basic principles of the constitution he spoke of are all that of the U.S. Constitution. These were used for the argument in his model of a "perfect political system" in "On Head of State." The reason why he did not write about the constitution of the People's Republic of China or China's socialist system in "On Head of State" is not because he overlooked them but because he opposes China's socialist system. The reactionary stance of loving the capitalist system and hating the socialist one in "On Head of State" is very clear. On this basic issue, Yan Jiaqi did not lie.

Second, "On Head of State" deliberately obliterates the class nature of the U.S. political system, and regards its "separation of three powers" and parliamentary system as a model for "establishing the restraining relationship between different institutions." He said: "After Locke, Montesquieu argued that state power should be divided into the three powers—legislative, administrative, and judicial." "The spread of Locke's and Montesquieu's theory on the separation of powers led to a major change in the principle for establishing state institutions in the history of mankind." "Take the United States, for example. There is a clear and definite restraining relationship between state institutions." "In the parliamentary system, the relationship between the parliament and government can also be considered as a 'restraining relationship.'" In this respect, Yan Jiaqi avoided discussion on the socialist political system, and wantonly praised the U.S. "separation of three powers" and its parliamentary system. His intention, as stated in the "26 June open letter" published in Hong Kong, is to implement the bourgeois system of "separation of three powers" in China in the future.

Third, beautifying the U.S. President's individual military centralism. Another norm for "improving the political system" raised by "On Head of State" is the so-called "maintaining the unification of the state's highest administrative power." The major contents of this centralism are as follows: "In the United States, the president, as the head of the state and leader of the government, is at the same time the commander in chief of the armed forces. The president not only wields the highest power of commanding the troops and appointing high-ranking military leaders, but also assumes the highest responsibility for formulating military and defense policies. Through the Department of Defense, the president wields the power of leading the armed forces. The purpose of promoting this 'norm' by Yan Jiaqi was explicitly explained by his call in his open letter of 26 June that China's Constitution should explicitly stipulate that 'troops belong to the state and not a political

party." He proposed this "norm" to aim the spearhead at China's political system and at our party's leadership over the Armed Forces. If this "norm" is to be put into practice, the Armed Forces will be divorced from the leadership of the party, and this will change the political nature of the people's Armed Forces. By proposing that "troops belong to the state, not political parties," Yan Jiaqi was attempting to turn troops into the possession of the bourgeoisie. This was an important part of the reactionary program of establishing a bourgeois republic in China. The typical U.S. president's individual military centralism which is described as a "perfect political system" in "On Head of State" is a model of "troops belonging to the state, not political parties."

Fourth, the United States' "two-party system," "election system," and "impeachment system" were looked upon as a typical "perfect political system." On 7 July 1986, Yan Jiaqi, speaking at a forum organized by a democratic party, talked nonsensically that "he disagrees with the claim about the leadership of the Communist Party of China," asserting that "the relation between the leader and the led" did not exist in the relationship between the CPC and other democratic parties. His open opposition to the leadership of the CPC was related to his praise of the U.S.' "two-party system" in his "On Head of State." Recently, Yan Jiaqi, who is abroad, continued to incite opposition to China and the CPC, wantonly calling the party's leadership "autocratic" and "dictatorial." This shows that his purpose of beautifying the capitalist system in "On Head of State" is to create public opinion for overthrowing the party's leadership and the socialist system.

Summing up the above, we can see that "On Head of State" assumes a negative attitude toward socialism because it refuses to discuss socialism and the necessity of building the socialist system in China. Like other people who promote bourgeois liberalization, Yan Jiaqi, awed by the power of the people's democratic dictatorship, is still afraid to openly shout the slogan of opposing the socialist system, but the reactionary class nature of these people will invariably determine that they will try to publicize and put into effect a reactionary program for taking the capitalist road. Therefore, they resorted to all sorts of schemes and stratagems, directed the spearhead at all sectors of the socialist system in China, and went all-out to beautify the capitalist social system in an effort to prepare public opinion for establishing a bourgeois republic in China. "On Head of State" was published and distributed at a time when bourgeois liberalization was most rampant. During this period Fang Lizhi dished out the reactionary program of "total Westernization" aimed at pushing for taking the capitalist road. However, as Fang Lizhi does not know anything about social sciences, his reactionary program of "total Westernization" has no theoretical basis. But "On Head of State" has added a theory to the political program for bourgeois liberalization because it theoretically puts forward a blueprint for establishing a bourgeois republic.

### **A Teaching Material and Teacher by Negative Example Meriting Our Attention**

The vicious development of Yan Jiaqi's bourgeois liberalization activities was connected with Comrade Zhao Ziyang's erroneous stand and attitude toward how to uphold the four cardinal principles and oppose bourgeois liberalization. During the struggle waged by the whole party against bourgeois liberalization in March 1987, Yan Jiaqi was under investigation for his advocacy of bourgeois liberalization. With Comrade Zhao Ziyang's direct support, Bao Tong and Yan Jiaqi concocted a quibbling "two-point explanation" and sent it to Zhao Ziyang. Comrade Zhao Ziyang went so far as to circulate the "two-point explanation" in the party as a Central Committee document and openly guaranteed Yan Jiaqi's innocence. He assured that Yan Jiaqi "did not say or write anything to oppose the party leadership and socialism," and that Yan Jiaqi "abided by discipline and assumed a quite prudent attitude in exploring questions." So, he continued to keep Yan Jiaqi in an important position and let him "work as usual" in the Central Research Group for Reform of Political Structure. It was with Comrade Zhao Ziyang's direct support and connivance that Yan Jiaqi went astray onto the road of bourgeois liberalization and became an important organizer and plotter of the recent turmoil and counterrevolutionary rebellion.

As soon as the turmoil began, Yan Jiaqi ascended the front stage and assumed a posture of fighting a decisive, life-and-death battle against the party, the people, and socialism. He became a sworn buddy of other "elite" of bourgeois liberalization and published the "16 May statement," saying: "We have reached a crucial historical moment," "we have no opportunity to lose and nowhere to retreat any more," "this is a great historical moment which will decide China's destiny," and "we should know our unshirkable historical mission and step forward." What is Yan Jiaqi's "historical mission"? It is to implement the political program of establishing a bourgeois republic to subvert the socialist system, as he has proposed in "On Head of State." It goes without saying that his word "nowhere to retreat" was a call for cutting off all means of retreat in order to fight a decisive, life-and-death battle. His words "historical moment" and "no opportunity to lose" show that he thought that the opportunity to overthrow the socialist system and establish a bourgeois republic had come. Indeed, they had started the long and carefully planned turmoil and many intellectuals and young students were involved. The "elite" of turmoil creators had Zhao Ziyang's open support. They worked in concert with Comrade Zhao Ziyang and in close coordination with reactionary forces at home and abroad, created dark clouds over the country, and pushed the socialist republic into a great danger. Yan Jiaqi and his ilk, blinded by lust for gain, viciously started the counterrevolutionary rebellion and launched a most frenzied offensive against the socialist system. Nevertheless, they overestimated the counterrevolutionary strength and underestimated the strength of the Communist Party

and the people of China. They also made a wrong judgment of the situation. Socialism will surely replace capitalism. The advance of the Chinese people on the broad avenue of socialism is irreversible. The defeat suffered by Yan Jiaqi and his ilk in their counterrevolutionary rebellion has also declared the complete bankruptcy of the idealist concept of history and the reactionary program for establishing a bourgeois republic publicized by "On Head of State."

Yan Jiaqi always places his vain hope for establishing a bourgeois republic on the support of Western capitalist reactionary forces. He gave Reagan his book "On Head of State" in early 1988. He said: "On 4 February 1988, before the start of a breakfast at Hilton Hotel in Washington, U.S. President Ronald Reagan and his wife Nancy received me and several other guests from Japan, Fiji, and Somali. I gave 'On Head of State' to President Reagan." In July 1989, Yan Jiaqi fled to France. He published a "message to the heads of states of all countries" in the name of "Beijing Federation of Autonomous Student Unions in Universities and Colleges" and "Beijing Federation of Intellectual Circles." The message may be regarded as a sequel to "On Head of State." In the message, he did his utmost to flatter Western capitalist reactionary forces and curse the socialist system, saying: "Since the beginning of the 20th century, two major antidemocratic forces had emerged in the world. One was Fascism with Hitler as its representative, and the other was socialist autocracy started by Stalin. Fascism had died out with the end of WW II, but socialist autocracy that has existed for over half a century remains rampant in some countries and regions. Socialist autocracy flies a 'socialist' flag to practice autocracy." Yan Jiaqi also subserviently made suggestions to the heads of states of Western capitalist powers on "taking various actions to continue condemnation and necessary economic sanctions against the Chinese Government and canceling the exchange of visits between top leaders and high-ranking officials with the Beijing authorities."

Yan Jiaqi's ugly features, as manifested in his book "On Head of State" presented to Reagan, and his traitorous clamor in his "Message to the Heads of States of All Countries" show that he has degenerated into a downright shameless traitor. Typical characters like Yan Jiaqi and his ilk who practice bourgeois liberalization are the lackeys and agents of the Western capitalist reactionary forces for pushing "peaceful evolution" in China. They will betray the nation once they come to power. The bourgeois republic that Yan Jiaqi and his ilk want to establish will certainly be a bourgeois republic serving as an outright appendage of the West.

Although the counterrevolutionary rebellion started by Yan Jiaqi and his ilk has failed, he still has not given up his evil designs. With the support of reactionary forces in the United States, Taiwan, and Hong Kong, Yan Jiaqi continues to flagrantly carry out subversive activities against the Chinese Government. He fiercely clamored that "China is not a 'republic,'" and "the 'republic'

should undergo reconstruction." Yan Jiaqi, a teacher by negative example, and "On Head of State," a book of negative example, remind us that the struggle of whether China should take the socialist or the capitalist road has not ended. We should fully exploit this teacher by negative example and "On Head of State," the book of negative example, in teaching our young people and the masses to defend the PRC, which was established with the blood and sacrifices of tens of millions of martyrs; defend the sacred constitution of the PRC; defend the four cardinal principles, which serve as the foundation of our country; and defend the great achievements of the 10 years of reform.

#### Overseas Chinese Broadcasting Department Viewed

OW0709022689 Beijing International Service  
in Mandarin 0900 GMT 5 Sep 89

[Introductory talk on Department of Broadcasting for Overseas Chinese of Radio Beijing]

[Text] The Department of Broadcasting for Overseas Chinese of the Beijing Broadcasting Station was inaugurated on 20 June 1949. At present the department uses Mandarin and four dialects of overseas Chinese, including Cantonese, Hakka, Amoy, and Chaochow, to broadcast various programs.

The Department of Broadcasting for Overseas Chinese is also called the Overseas Chinese Department for short. It is a language broadcast department of the China International Broadcasting Station.

The China International Broadcasting Station was formerly the Shanbei Xinhua Broadcasting Station. Following the station's move to Beijing on 25 March 1949, it was renamed the Beijing Xinhua Broadcasting Station. On 20 June 1949, the station started broadcasts in the Cantonese, Chaochow, and Amoy dialects. Its broadcasts were aimed mainly at people in areas to be liberated in Guangdong, Guangxi, and Fujian and to people in Taiwan Province.

At that time, the situation in China was changing rapidly and overseas Chinese, who were much concerned about the situation in the motherland, were surrounded by reactionary propaganda and could hardly get any accurate information from the motherland. Therefore, overseas Chinese in Southeast Asia also became listeners of these programs.

On 10 April 1950, the radio station established an overseas broadcast department, and a division for broadcasts beamed to overseas Chinese was set up within the department. At the same time, a Hakka dialect broadcast was added to its programs. Its call sign was also changed to Central People's Broadcasting Station. At that time, programs in the four dialects were broadcast twice daily, 15 minutes each in the morning and 30 minutes each in the evening.



The first group of staff personnel in charge of broadcasts for overseas Chinese were mostly returned overseas Chinese and intellectual youth from the southern provinces. They included (Zheng Ming), (Zhang Liyan), (Chen Yulan), (Chen Shaosong), (Chen Lei), (Lin Yang), (Ye Jidong), (Lin Gangjian), (Guo Rongrong), (Luo Dan), (Liang Sichang), and (Ye Liping).

On 15 December 1955, the division for broadcasts beamed to overseas Chinese added Mandarin programs to its broadcasts. Thus, five Han nationality languages most commonly used by the overseas Chinese community were used in broadcasts beamed to overseas Chinese. It transmitted 13 times daily for a total broadcast time of 6 hours and 30 minutes. The scope of the broadcasts also expanded from covering Southeast Asia to Europe, Africa, the Middle East, and the Near East.

At one time, from June 1957 to September 1959, the Taishan dialect was added to broadcasts beamed to North America.

After 1959, in addition to the five Han languages broadcasts of 30 minutes each beamed to Southeast Asia in the morning, all other broadcasts became 60-minute comprehensive programs. Besides news, each program also included commentaries, general reports, special topics, and cultural and art matters.

In 1966, broadcasting time was almost three times that in 1956. Because of the expansion, the division for broadcasts beamed to overseas Chinese was renamed the Department of Broadcasting for Overseas Chinese. In addition, in consideration of eventual changes of nationality of overseas Chinese listeners, the callsign for the 30-minute and 60-minute programs was changed to Beijing Broadcasting Station starting 5 July 1976 and 25 April 1983 respectively.

At the initial stage, the staff personnel for broadcasts beamed to overseas Chinese were mainly radio announcers but they also took part in some editorial work. Broadcast scripts were mainly supplied by the editorial department of the China News Agency. Only special programs had an unscheduled listeners' letterbox. After 1956, the Department of Broadcasting for Overseas Chinese received a number of new comrades and the number of staff increased 40 percent. Since then, the Department of Broadcasting for Overseas Chinese started to establish its own contingents of editors and reporters. It began some relatively systematic news gathering activities. The programs for overseas Chinese thus became programs with more distinctive features.

During the period of the Great Cultural Revolution, the propaganda work of the Department of Broadcasting for Overseas Chinese was in a state of paralysis. Not until the end of the 1970's, the orientation of programs was raised once again. Programs greatly welcomed by listeners were restored gradually. Since the beginning of the 1980's, in order to better serve overseas Chinese listeners, the department has selected scripts compiled by

the Central Editorial Department of the China International Broadcasting Station and, in addition, launched its own news gathering activities.

The department has reported on the role played by returned Overseas Chinese and relatives of Overseas Chinese in major political activities in the motherland, tourist activities of Overseas Chinese, the situation in Overseas Chinese affairs, the implementation of the state policy for Overseas Chinese, and news from native places of Overseas Chinese. Reporters of the department have visited homes of Overseas Chinese and made contacts and established friendship with Overseas Chinese communities. They have established relations with Overseas Chinese affairs departments in various localities.

The department has also dispatched correspondents to various places to set up communications networks. In recent years, the department has annually received more than 1,000 articles and reports from various places. About 30 percent of these articles and reports are used.

During the initial period of the department's operations, its fixed programs for Overseas Chinese included "Listeners' Letterbox," "Homeland of Overseas Chinese Today," "Letters to Relatives and Friends Living Abroad," "Questions and Answers on Knowledge of the Motherland," special literary and art topics, and novel series. Since the 1980's, some adjustments have been made to the fixed programs for Overseas Chinese. The "Listeners' Letterbox" program has been changed to "At Your Service," and "Homeland of Overseas Chinese Today" in Mandarin has been changed to "Native Place Today."

Some adjustments have also been made to the "Homeland of Overseas Chinese" program in dialect. At the same time, the "Returned Overseas Chinese in the Motherland," "Knowledge About China," and other programs have been added to broadcasts of the department. The former "Listeners' Letterbox" program answered questions raised by listeners concerning policy regarding Overseas Chinese affairs, regulations governing joint ventures between Overseas Chinese and units at home, entry procedures, real estate of Overseas Chinese, and attending schools in the motherland. After its change into the "At Your Service" program, it also transmits talks by relatives, messages to look for relatives and friends, and answers regarding doctors' addresses and medicine.

Many listeners have sent letters to the department, saying that the station has satisfied their desire to know more about their native places and the whereabouts of relatives, saying that the radio station of the motherland is their good teacher and friend, and that they will forever be obliged to the motherland for its meticulous concern and care for Overseas Chinese.

The "Knowledge About China" program, which started since 1984, introduces the long history, brilliant culture, majestic rivers and mountains, and abundant resources of China. Listeners have sent letters to the department,

saying that the program has enhanced their understanding about the wonderful rivers and mountains of the motherland and made them proud of being Chinese descendants. The "Children of China" program introduces noted personages on various fronts in the motherland and their achievements. They include noted Chinese doctors and their medical achievements. The department often broadcasts music and local operas from the hometowns of Overseas Chinese.

Since the inauguration of the broadcasts for Overseas Chinese, the state's Overseas Chinese affairs departments and leading persons in charge of Overseas Chinese affairs have shown concern for and supported the work. Since 1952, almost every year this station has invited leading persons of Overseas Chinese affairs departments of the central authorities, responsible persons of the All-China Federation of Returned Overseas Chinese, and noted returned Overseas Chinese to extend their greetings to Overseas Chinese abroad on such occasions as New Year and the Spring Festival. He Xiangning, Chen Jiageng, Situ Meitong, Zhuang Xiquan, and Zhang Guoqi have all been invited to deliver radio talks.

At present, programs for Overseas Chinese are broadcast 23 hours daily. Chinese language broadcasts can be heard in most places in the world. In addition, the department periodically also provides programs for more than 10 Chinese language radio stations in various places of the world.

At present, the department has more than 70 staff personnel. Their place of work is at No 2, Fuxingmenwai Main Street, Beijing. The department's mail boxes are: Post Office Box No 565 Beijing and Box No 11036 of the General Post Office in Hong Kong. We welcome all our friends to write letters to us. We will constantly improve our programs in accordance with your suggestions.

## Science & Technology

### Report Reviews Superconductor Research

HK1309085689 Beijing RENMIN RIBAO in Chinese  
6 Sep 89 p 2

[Report by Yang Lianghua (2799 5328 0553): "China Achieves Good Results in its Research on Superconductors"]

[Text] Beijing, 5 Sep—In a field where world science and technology are engaged in the most intense competition, Chinese scientific and technological personnel have maintained their leading position in research on superconductors by successively producing remarkable results. The situation at the Beijing international meeting on high-temperature superconductors held here today, indicated that man is approaching the era of superconductors.

Two years ago the Zhao Zhongxian group at the Physics Institute of the China Academy of Sciences, and American and Japanese scientists discovered 100K superconductor material almost at the same time, thus arousing a

"superconductor fever" around the world. Since then China has made tremendous progress in the research on superconductors. Almost 500 scientific workers in about 4,000 scientific research and educational institutions throughout the country have made many achievements.

In the first half of this year the Chinese University of Science and Technology discovered 132K antimony- and bismuth-doped material with a zero resistance temperature. This is the highest record of critical temperature that has been verified in the world. China has also conducted profound research into the crystal structure, property, and effects of material belonging to the bismuth and thallium series.

Apart from this, China has developed the technology to process high-temperature superconductors and manufactured material of the yttrium series with a critical current density of over 11,000 ampere per square mm, and yttrium superconductor films with a critical current density of 1 million ampere per square mm. China has used high-temperature superconductors to manufacture instruments for conducting geological surveys and detecting biological magnetite. Chinese scientific research personnel have also made good achievements in the research on the physical property and micromechanist theory of high-temperature superconductors.

### Telecommunications Services Outlined

OW1209073789 Beijing XINHUA Domestic Service  
in Chinese 1230 GMT 10 Sep 89

[By reporter Zhang Jinsheng and correspondent Shang Cuiyun: "Local Broadcast News Service"]

[Text] Beijing, 10 Sep (XINHUA)—China's postal and telecommunications contacts with other countries have broken obstacles and made great progress. China has basically set up an international telecommunications network with satellite transmissions and program controlled operations playing the dominant role. As a result, it is more convenient and quicker for China to contact other places in the world.

China developed its international telecommunications network starting from scratch. After 40 years of efforts, particularly with the hard struggle in the past 10 years, China has developed direct dial, telegraph, public telegraph, facsimile transmission, and other services with more than 40 countries and regions in the world and built over 2,000 electric circuits of all kinds. Through these circuits China can maintain telecommunications contacts with more than 200 countries, cities, and regions. China has also developed direct mail service with more than 120 countries and regions in the world's five continents. Today, you can dial direct from Beijing to the other side of the Atlantic, and international express mail can reach any foreign country as far away as 1,000 li within a few days. News from all places of the world can be broadcast by the Central Television Station via satellite on the same day.

## Military

### General Staff Headquarters Holds Ceremony

*OW1309031689 Beijing Television in Mandarin  
1000 GMT 10 Sep 89*

[Text] The PLA General Staff Headquarters held a commendation meeting in Beijing yesterday [9 September] afternoon. Deputy Chiefs of General Staff Xu Xin, Xu Huizi, and He Qizong conferred certificates of merit and honorary credentials on 41 advanced collectives and 175 advanced individuals of the General Staff Headquarters to commend them for their outstanding contributions in stopping turmoil and quelling riots.

In this struggle of safeguarding our socialist system and protecting the dignity of the republic, the General Staff Headquarters, as a military command organ of the Military Commission of the CPC Central Committee, had the direct responsibility of organizing and commanding the martial law enforcement troops and assumed the important task of guaranteeing communications, surveying and mapping, and equipment supply. Faced with a complex situation, they resolutely carried out the decisions of the CPC Central Committee and the Military Commission of CPC Central Committee, dealt with a series of important military and political issues of principle in a timely and correct manner, and accomplished satisfactorily its various missions.

In his speech, General Xu Xin, deputy chief of general staff, urged the troops to constantly maintain a high degree of stability and centralized unity. They must put acting in unison with the CPC Central Committee firmly in first place among all tasks, be honest in performing their official duties, and keep true to their political color of being hard-working. He said: This is not only a glorious tradition of our Army, but also a strong and unshakable spiritual trait which resists the corrosive influence of the various corrupt ideologies in a political storm.

### Awards for Scientific Advances Cited

*OW1209193589 Beijing XINHUA in English  
0720 GMT 12 Sep 89*

[Text] Beijing, September 12 (XINHUA)—One thousand four hundred of the Chinese People's Liberation Army's (PLA) scientific projects have received state awards for scientific and technological advancement since the Army joined the national program for evaluation of scientific projects in 1985.

The projects have enhanced the Army's combat effectiveness and supported national economic development, according to today's "LIBERATION ARMY DAILY."

These scientific awards are for new products and technology for the defense industry, developing and popularizing hi-tech products at home and abroad, standardization, metrology, scientific and technological

information, scientific policy making and modern management, and basic and applied sciences.

Breakthroughs have been made in strategic and conventional weapons and in the development of simulation instruments and equipment now used in launching missiles, carrier rockets and satellites, and testing nuclear weapons.

Great achievements have also been made in the military medical sciences. Advances have been made in treating diseases and in aeronautical medicine. The Army's hospitals are taking the lead in China in major surgery such as that involving the liver, gallbladder, urinary organs and heart, and in treating burns.

Army scientists and technicians have also redirected their research work to civilian applications. The results of their scientific research are being sold to domestic manufacturers.

Agriculture has also benefited. Fine horses bred by Army farms are helping to develop China's agriculture.

### All Military Aircraft Manufactured Domestically

*OW1309074589 Beijing XINHUA in English  
0607 GMT 13 Sep 89*

[Text] Beijing, September 13 (XINHUA)—All of the fighter planes, fighter-bombers, attack planes and trainer aircraft for China's Air Force are now being produced domestically according to today's "LIBERATION ARMY DAILY."

When the Ministry of Aviation was established in 1951, China had to import all the planes used by its Air Force. China now turns out over ten kinds of warplanes, including sub-sonic and super-sonic fighter and jet attack planes, high sub-sonic bombers, trainers, reconnaissance planes and drones, the paper noted.

Research and production centers have been set up in Shengyang and Xi'an to make Air Force planes. A production group for study, design and test-flight has also been formed.

## Economic & Agricultural

### Yao Yilin Lists Economic Problems, Solutions

*HK0709144789 Beijing RENMIN RIBAO in Chinese  
1 Sep 89 p 2*

[XINHUA report: "At NPC Standing Committee Meeting, Yao Yilin Says Various Contradictions in Economic Life Remain Unsolved"]

[Text] Beijing, 31 Aug (XINHUA)—Today, State Council Vice Premier Yao Yilin said that although the work of economic rectification and improvement has achieved certain results this year, contradictions in the economic life are still far from being solved and serious difficulties still exist.



Yao Yilin said: The gross demand in society still exceeds the gross supply to a large degree. This year, although many measures were adopted to cut down on capital investment in order to reduce demand, and the authorities concerned made great efforts in this regard, the expected results were not achieved. The main reasons are as follows: First, there was still no effective way to control extrabudgetary investment, especially the investment being made by localities with the funds they had raised and controlled of their own. Some localities did not seriously follow the requirements laid down by the State Council, and they still included the projects under construction in their financial budgets. As a result, some projects were not really suspended according to the requirements, and some suspended projects were resumed within a short time. Some localities even continued to build offices, guesthouses, and amenities centers. Second, the power for approving construction projects is still scattered in the hands of localities, and the question of how to centralize this power has not been solved yet. Some localities even continued to approve new projects by exceeding their power. Third, investment projects started by collectives and individuals exceeded the control target by a substantial margin, and we still lack an effective method of controlling these projects. In addition, consumption demand still increased at a high rate and has not been controlled yet. The wage income of workers still increased at a rate higher than the growth rate of productivity. The phenomena of issuing excessive bonuses and allowances in cash and in kind still exist to a serious degree. According to statistics by the pertinent department, from January to July, the banks' payment for wages and other personal income items increased by 22.9 percent over the same period of last year; in the first 6 months of this year, the cash income of peasants increased by 25.5 percent. The growth rates of both items exceeded the growth rate of production, and were also higher than the growth rate of the national income and the state revenue. The social contradictions caused by the unfair distribution have not been mitigated. Although certain results have been achieved in controlling the institutional purchasing power in society, it will still be rather difficult to fulfill the annual target in this respect.

He said: The structural contradictions have not been mitigated yet. In some fields, the contradictions have even been aggravated. After bumper grain and cotton harvests were reaped in 1984, agricultural production remained stagnant for several years running. Although good harvests were reaped this year, the foundation for agricultural production remained rather weak. The development of agriculture is now still seriously incommensurate to the development of industry. In the past months of this year, the growth rate of industrial production has slowed down, but the irrational production structure in industry has not been substantially changed. First, many large and medium-sized state enterprises encountered serious difficulties in their production, and their production grew at a rather low speed. From

January to July, the output value produced by state-owned industrial enterprises increased by merely 5.8 percent over the same period of last year; however, the production of the enterprises owned by collectives, especially those located in towns and villages, still increased at a rate as high as 21.7 percent. Second, the production of some goods which were oversupplied was still increasing in the past few months. For example, the output of air conditioners increased by over 100 percent as compared with the same period last year; and the output of household refrigerators, electric fans, and ordinary machine tools also increased by a big margin. Third, the growth of transportation was seriously incommensurate to the growth of the manufacturing industry, and this continued to aggravate the strained condition in transportation. Fourth, the economic results in industrial enterprises became worse. In many enterprises, the costs of unit product rose, and product quality became inferior. Investment in fixed assets continued to swell in the extrabudgetary field, and many investments were still made in ordinary processing industries of non-productive items. On the other hand, some key construction projects were short of funds and could not be advanced according to the schedule. All this showed that the task of adjusting the investment structure will remain very arduous and difficult.

Yao Yilin said: The serious difficulties and problems in the national economy did not appear suddenly in the last 1 or 2 years; instead, they have accumulated for many years and were the evil consequences of the excessive distribution of the national income. The excessive distribution of the national income began in the second half of 1984. The then principal leading comrade of the State Council did not acknowledge this fact, nor did he take effective measures to check this tendency. The problems thus became more and more serious. By the end of 1983, the currency in circulation in the whole country amounted to merely 53 billion yuan; but by the end of 1988, the figure increased to 213.4 billion yuan. That is to say, the currency in circulation increased 3 times in a short period of 5 years, and increased by an average of 32.1 percent each year. This was far greater than the economic growth rate, and caused worsening inflation. Facts show that the problems in the national economy were mainly caused by the erroneous guiding ideas. We could not realistically analyze these economic problems and seriously sum up the positive and negative experience in order to really carry out economic adjustment and improvement until the 4th Plenary Session of the 13th CPC Central Committee. It is impossible for us to solve in 1 year's time all these problems that have accumulated for so many years, but if these problems remain unsolved for a long time, the situation will become very unfavorable to us. So we should take more resolute measures in light of the spirit of the fourth plenum and Comrade Deng Xiaoping's speech, quicken the pace of rectification and improvement, and strive to basically fulfill the targets for economic rectification and improvement in 3 years' time so as to bring about a new turning point in our national economy.



**State Council Reschedules Tax Inspection***OW0409033089 Beijing XINHUA Domestic Service  
in Chinese 1408 GMT 3 Sep 89*

["Local Broadcast News Service"]

[Text] Beijing, 3 Sep (XINHUA)—The State Council decided recently to advance the nation-wide taxation, finance, and commodity price general inspection to early September and have the major part of it conclude by the end of the year.

Chi Haibin, director of the Office for the State Council Taxation, Finance and Commodity Price General Inspection, and vice minister of finance, emphasized: This year's general inspection must be conducted on the principle that everything is carried out in accordance with the law and that any violations of the law must be dealt with. Any violations of the law and discipline must be investigated and handled in a serious manner. No inspectors should bend the law and regulations at will or be soft-hearted. We must be resolute in overcoming interference, favoritism, and the influence of friendship. We must never let personal power, interest, and friendship influence the general inspection.

Chi Haibin also emphasized that during this year's general inspection, we should enhance the openness of our investigation and handling of any violations of discipline, inform the broad masses about the law and instances where discipline was violated, and mobilize the people and public opinion to exercise their supervision.

**State Council To Investigate Unpaid Taxes***OW0309102689 Beijing XINHUA Domestic Service  
in Chinese 1215 GMT 30 Aug 89*

["Local Broadcast News Service"]

[Text] Beijing, 30 Aug (XINHUA)—The State Council set up a joint leading group in Beijing yesterday for checking up on taxes in arrears. Wang Bingqian, state councillor and minister of Finance, is the leader of the group. Responsible persons of the Ministry of Finance, the People's Bank of China, and the State Planning Commission are deputy leaders.

Members of the group include responsible persons of the Ministry of Foreign Economic Relations and Trade, the State Administration of Taxation, the General Administration of Customs, the Industrial and Commercial Bank, the Bank of China, the Agricultural Bank, and the Construction Bank.

The office of the leading group is located in the Ministry of Finance.

At the first plenary meeting of the group held yesterday, Wang Bingqian pointed out: The State Council's decision to set up the joint leading group is an important measure in view of the daily worsening situation of outstanding taxes. Since the beginning of this year, The

amount of taxes owed by enterprises has become greater and greater month by month. Such a situation is unprecedented, affecting the normal order of our economic life, impeding the proceeding of our efforts to improve the economic environment and rectify economic order, and obstructing the completion of the state budget. We must have a correct understanding and sufficient appraisal of the seriousness of the problem. The State Council has decided to regard the check on outstanding taxes as an important job of the economic work at present. He emphasized that we should particularly pay attention to preventing additional outstanding taxes while checking up on existing outstanding taxes.

**State Council Enforces Taxation of Private Firms***OW0209143389 Beijing XINHUA in English  
1417 GMT 2 Sep 89*

[Text] Beijing, September 2 (XINHUA)—The State Council has decided to strengthen taxation of urban and rural individual businesses and private enterprises, XINHUA learned here today.

The decision said that all legal income from legitimate businesses must be taxed according to the state regulations and those who evade tax or profiteer through illegal means must be punished according to law.

The government has decided to make a thorough inspection and cleaning up of the taxation of individual businesses and private enterprises before the end of October.

The problems discovered in the inspection will be handled according to the tax laws.

The decision said that individual businesses and private enterprises must strictly abide by laws in doing business and no one is allowed to fraudulently apply for licences for state-owned or collective business nor to be affiliated to the latter.

All individual and private businesses must have real invoices for all business activities. They should register with taxation departments within 30 days of obtaining licences. Those who have obtained licences without such registration must register within one month from the publication of the decision.

The decision also said that no tax officer shall accept an invitation to dinner or gifts or take bribes from taxpayers. Industrial and commercial administrations and police departments are required to co-operate with taxation departments in the current exercise.

**Taxation, Price Inspection Meeting Ends***OW0809051489 Beijing Domestic Service in Mandarin  
0930 GMT 7 Sep 89*

[By reporter Cai Xiaoling, from the "National Hookup" program]

[Text] A work conference on the nationwide general inspection of taxation, financial accounting, and prices

ended in Beijing today [7 September]. The meeting has called on all personnel taking part in this year's general inspection to conscientiously implement the guidelines of the 4th Plenary Session of the 13th CPC Central Committee on combating corruption and promoting a clean and honest government, and to refrain from attending dinners, accepting gifts, staying at expensive guesthouses, taking pleasure trips, and buying goods at reduced prices in the course of inspection, to set a good example in performing official duties with honesty and integrity.

According to reports, during the general inspection in previous years, the majority of work groups and members of inspection teams were good, with conscientious performance and strict observance of rules and regulations. However, a few work groups and members of inspection teams performed sloppily and failed to live up to strict standards. Some even solicited, overtly or discreetly, benefit from units being inspected, thus producing an extremely harmful influence upon the masses of society, undermining the image and prestige of the party and the government, and discrediting the general inspection.

According to a briefing, the State Council's office responsible for the general inspection has received complaints from the masses, exposing problems related to serious violation of discipline by the work teams and members of inspection teams. These problems are under investigation. In order to strictly guard against recurrence of similar problems in this year's general inspection, the State Council's office has drafted regulations for reinforcing discipline among the general inspection work groups and inspection teams, and has urged offices in charge of the general inspection at different levels to use the regulations as a reference in working out several rules for observance, according to actual conditions.

### **Economists Doubt Government Can Curb Inflation**

HK0809031989 Hong Kong SOUTH CHINA  
MORNING POST in English 8 Sep 89 p 13

[By Willy Wo-lap Lam]

[Text] Chinese economists have expressed reservations about Beijing's ability to cool down the economy and cut the inflation rate from this year's 25 per cent down to 10 per cent next year.

Figures released by the State Statistical Bureau yesterday [7 September] show that in the first eight months of this year, the value of industrial production was 852.9 billion yuan (HK\$1,791 billion), up 10 per cent from the same period in 1988.

A major reason for the failure to slow the economic juggernaut is the central government's relative inability to cut capital construction; mainly expansion of production capacities. Late last year, state planners wanted to slash national investments by a hefty 25 per cent.

But State Planning Commission economists doubt if even 10 per cent can be trimmed from capital construction this year.

Analysts say that Beijing only controls about 60 per cent of the nation's capital construction, most of it in the basic industries sector. The other 40 per cent comprising the processing industries, is in the hands of local governments and privately-run companies.

Investments in industrial projects have been on an upward spiral since the early 1980s. Recently released statistics show that from 1983 to 1987, total fixed-assets investments shot up from 182.3 billion yuan to 351.8 billion yuan (HK\$382.83 billion to HK\$738.78 billion).

"Senior cadres disagree among themselves as to the degree to which capital construction should be curtailed," a Western banker said in Beijing.

"Reformist-minded economists argue that investments earmarked for renovating existing technology and for boosting infrastructure as well as those used for joint ventures should not be slashed."

Beijing has also had a hard time convincing provinces and cities along the coast to cut back their expansion plans.

In spite of calls by Beijing to limit growth, coastal cities from Xiamen to Dalian have announced new industrial or technological development zones.

Another major weapon deployed by Beijing to cut down inflation is to constrict "consumption funds", or money available to citizens to purchase goods.

However, so far this year, individual incomes have increased at a considerably faster pace than national industrial production.

Total payment of wages, salaries and bonuses went up by 14.2 per cent during the first half of this year, 3.4 per cent higher than the industrial growth.

Moreover, "social or institutional purchasing powers"—mainly consumption by such collective units as trade unions—are this year tipped to exceed the 1988 record of 66.5 billion yuan (HK\$139.65 billion).

In the past eight years, such purchasing powers have mushroomed by 250 per cent.

Beijing realises that there is a limit as to how far it can cut consumption funds as worker morale will be dealt a serious blow if wage increases fall far short of inflation.

An underlying reason for recent unrests in cities ranging from Beijing to Chengdu is dissatisfaction among workers about their plummeting standard of living.

**Materials Ministry Calls for Screening Firms***OW0209222689 Beijing Domestic Service in Mandarin  
0930 GMT 30 Aug 89*

[From the "National Hookup" program]

[Text] The Ministry of Materials has set priority on the next stage of work in improving the economic environment and in rectifying the economic order. The target: Various types of companies dealing in material transactions.

In a briefing to reporters today, the spokesman for the Ministry of Materials said: In the area of material supply, we still have not achieved a fundamental improvement. The biggest problem lies in the fact that too many companies are involved in the business of material supply. The problem of party and government organs engaging in business is still not solved; they are vying with one another in chasing after price differences. There are also many collectively-owned enterprises and private enterprises dealing in means of production. For example, there are 85 companies just in a timber market located in a suburb of Beijing; timber handled through them exceeds the total volume the state has set aside for the whole of the Beijing area. Of the 85 companies, only 19 have business licenses. In Fushun City, some government organs, plants, army units, schools, streets, and other social groups entered the coal business; the number of companies engaging in coal business is over 360. Of them, only 25 are collectively-owned enterprises.

The Ministry of Materials called on material departments at various levels to treat the matter of improving the economic environment and of rectifying the economic order as a major task. It called on leading comrades in material departments to personally take over the work, set up special organizations to carry the work through to the end, stick to principle, remove obstacles, act impartially; carefully examine the qualification of the application to set up companies dealing in materials, carry out in-depth investigation into cases involving violation of the law, formulate relevant regulations, and perfect supervisory organs.

**Industrial Production Problems Forecast***HK0809052289 Beijing CHINA DAILY in English  
8 Sep 89 p 2*

[By staff reporter Zhang Yuan]

[Text] A slump in domestic consumption, a dearth of raw materials and big inventories will vex this country's industrial production through the beginning of next year, an authoritative government department warned on Wednesday [6 September].

Growth rate of the value of industrial output dropped 3.5 percentage points to 6.1 percent in August from 9.6 percent in July, according to the latest monthly report by the State Statistics Bureau.

This is the second drop this year. The first was in February when the industrial output value was up only 7.5 percent over February of 1988.

Last month, national industrial output value was 106.6 billion yuan (\$28.8 billion), with an average daily output value of 3.439 billion yuan (less than \$100 million [as published]), up only 0.26 percent over the previous month.

Heavy industry increased by 8 percent while light industry was up only 4.2 percent, the lowest since 1983, the report said.

Since June this year, consumption of light industrial goods continued slow, which has affected the sales from luxury goods to daily-use commodities.

Consequently, inventories increased markedly putting a brake on production.

In the last two months, total output of the country's industrial production was brought under control, creating beneficial conditions for industrial structural readjustment.

For instance, decreased purchases by citizens, government offices, institutions and enterprises, is moulding a buyer's market for colour television sets, refrigerators and automobiles, rarely seen in recent years.

This will help to solve some problems which cannot be dealt with when there is an over-heated economy.

But this also left enterprises with large inventories and a problem with recovering funds and paying debts. And this might generate a further drop of industrial economic results and make the industrial production situation more serious in the rest of this year, the report said.

However, the report said, the structure of heavy industry continued to be improved last month.

Especially, the growth of energy production increased by 12.4 percent over the same period last year.

According to the report, the growth rate of collectively-owned industrial enterprises last month dropped 10.9 percentage points compared with the first six months of this year and 6.3 percentage points compared with July.

**XINHUA Reviews Industrial Development***OW0809073889 Beijing XINHUA in English  
0122 GMT 8 Sep 89*

[Text] Beijing, September 8 (XINHUA)—China has established nearly all its more than 500 industries according to international norms, forming an independent and complete industrial system.

Much headway has also been registered in the development of the nuclear power industry, the only industry that is considered not yet officially established in China.

Since the founding of New China in 1949, more than 400,000 industrial enterprises with 1.064 billion yuan in fixed assets—85 times more than in 1949—have been set up throughout the country.

The country has invested more than 1,000 billion yuan in building over 3,000 large and medium-sized enterprises in the metallurgy, mining, electrical machinery, aeroplane, automobile, large and precision machine tools, petrochemical, aerospace and synthetic materials industries. China can now equip its large mines, power stations, steel and oil works basically with China-made modern machinery.

In the nuclear and aero-space industries, China has stepped into the international front ranks. In the past 20 years and more, China, entirely by relying on itself, succeeded in conducting experiments in the development of atom and hydrogen bombs, and intercontinental missiles, manufactured nuclear submarines and launched 25 satellites, recovering 11.

With the upgrading of technology in industrial enterprises, the industrial production as a whole has kept a high growth rate and a great industrial economic power has been built up.

A large amount of machines and equipment has reached the advanced level of the late 1970s and the early 1980s. The quality of nearly 35 percent of the industrial products is considered up to the international or domestic advanced level.

The total industrial output value in 1988 was 134 times more than in 1949. The average annual growth rate of 13.4 percent in the past 40 years is rarely seen in other countries. The development of light and heavy industries is getting more co-ordinated and reasonable.

Steel production of 55.43 million tons made China the world's fourth-biggest steel producer in 1988—from 20th in 1949; coal production of 970 million tons ranked China first, against [word indistinct]; one billion bbl of crude oil made it fifth, against 27th; electricity generating capacity of 545.2 billion kwh made it fourth, from 25th; 18.8 billion m of cloth was the highest output in the world; and even China's TV set production, beginning only a few years ago, was second in the world.

The rational distribution of industries has basically changed the previous situation in which remote, border and areas inhabited by ethnic minorities relied on coastal areas, particularly big cities like Shanghai and Tianjin in daily-use goods supply. The development of the local economy, which has been keeping pace with that of the national economy as a whole, has made it possible for local products to compete in domestic and even overseas markets in addition to meeting local needs.

The solid foundation of industry laid in the past 40 years will assure China of its rightful place as one of the most

advanced industrial countries in the world in the next century, economic experts here noted.

### Industrial Production Increases in August

OW0809110189 Beijing XINHUA in English  
0629 GMT 8 Sep 89

[Text] Beijing, September 8 (XINHUA)—The growth of heavy industry surpassed that of light industry in China in August.

Light industrial growth declined to its lowest point in the past six years. Color TV and refrigerator production decreased by double digits, according to the State Statistics Bureau.

The bureau said this will facilitate readjustment of China's industrial structure.

Statistics show national industrial production increased by 6.1 percent in August, 4.7 percent less than in the first half of the year. Heavy industrial output value was up 8 percent and light industrial output value by 4.2 percent.

Analysts attribute the decline in light industrial growth to weak market demand and insufficient supplies of raw materials.

Since June, there have been big decreases in sales of light industrial goods ranging from durables to daily use products. In August, the production of color TV sets and refrigerators decreased by 28.3 and 13 percent respectively compared with the same month last year.

However, readjustment has brought great gains in heavy industry. Energy production increased 12.4 percent, the fastest growth achieved this year.

Economic experts hold that excess supplies will facilitate restructuring of the color TV, refrigerator and automobile industries.

Enterprises which have overstocked products will have cash flow difficulties, affecting production in the next four months or early next year.

The experts urge industries to develop new products, open up new markets and give support to high flying enterprises and hot selling products.

### Speculation Worsens Coal Shortage; Raises Price

HK0709145989 Hong Kong ZHONGGUO TONGXUN  
SHE in Chinese 1147 GMT 1 Sep 89

["Special" Article by Zhao Fang (6392 2455): "'Speculation in Coal' Has Made 'Coal Shortage' Even More Serious"—ZHONGGUO TONGXUN SHE headline]

[Text] Hong Kong 1 Sep (ZHONGGUO TONGXUN SHE)—Despite China being a major coal-producing nation, with an annual output of tens of millions of tons (97 million tons in 1988,) it has suffered from a "coal shortage" for quite some time now. The scene today is



that the coal producers feel wronged, for they have suffered production losses due to their unreasonably low selling prices; whereas cries of discontent from coal users have risen all around because of the unreasonably high purchasing prices, which is quite beyond their burden. The government is not in any better position, for the more coal turned out the heavier its burden; it has to spend billions of yuan on subsidies for coal on an annual basis. The root of it all lies in "speculators" running amok. The nationwide coal shortage has triggered off "speculation in coal"; while the confused coal market has in turn aggravated the coal shortage. The consequences are:

1. The backlog in unified coal distribution has amounted to producers' own marketing of volumes outside the plan derived from overfulfillment of production quotas.

Between January and May this year, state-run coal mines overfulfilled production quotas by 10.32 million tons. There should not be any problem in coal supply in unified distribution. However, results of implementation show that only 89.7 percent of the contracts on coal supply in unified distribution was fulfilled, a drop between 2 and 3 percentage points over the same period last year. The volume of supply backlog was 19.85 million tons, up by 8.3 million tons. Regarding the power networks that the coal supply must guarantee, only 93 percent was fulfilled. The coal delivery rates in some provinces and regions were lower than last year's level. For example, it was 75.8 percent in Guangdong, 78 percent in Liaoning, and 85 percent in Shanghai this year. The crucial point is the zeal of some coal industrial enterprises in pursuing self marketing, and key production departments' demand is inevitably affected.

2. Coal-operating units are far too many, and in utter confusion.

To relax the coal supply-demand contradiction, the government lifted the control over coal operation and prices outside the plan. That has been beneficial to easing the circulation channel and relaxing supply-demand contradiction. However, accompanying it are new problems such as operation in multiple links. Party and government organs, mass organizations, factories, schools, army units, and neighborhood committees have all turned out to get a slice of the pie—"speculating in coal" one after another. Take Anshan and Fushun for instance. The number of units operating in coal registered in industrial and commercial administrative departments is 476, the bulk of which are collectives and individual households, with only 39 enterprises of ownership by the whole people. Six households specialized in transportation have become millionaires by transporting coal for reselling. The huge profits are staggering.

3. Pretexts for exorbitant charges are many, the middleman's exploitation is heavy.

In the circulation of coal, pretexts for exorbitant charges are shockingly numerous. Charges from intermediate links in coal transportation from Datong, Shanxi to

Shanghai can be as many as 49 descriptions. There are some 20 items at the port alone; for example, a train-piloting fee, a port construction fee, a city building fee, a water-filling fee, a load reduction fee, and a fee for difficulties in operation, so on and so forth. To procure the coal needed, clients have to pay to pave the way. Naturally, coal prices soar. Today, coal at negotiated prices in East China have gone up between 300 and 400 yuan a ton, while in coal producing areas, they are only some 40 yuan a ton at official prices.

- And 4. Brazen adulteration.

With coal prices soaring, even pebbles have become precious. In such coal-mining areas as Jiaozuo Henan, Xuzhou Jiangsu, Zaozhuang Shandong, and Guangde Anhui, waste has become a treasure for some units and individual households engaged in coal transportation for reselling. On a length of two kilometers of highway along Guangde, Anhui, there are 45 workshops processing waste. The waste hill of Jiulishan coal mine in Jiaozuo has been occupied by some local villages. The villagers keep digging into the waste to adulterate it with coal. They are mocked as a new generation of "foolish old men." Now one-third of the waste has been excavated.

According to an official of supplies departments, the solution to the above-mentioned problems involves a coal managerial and operational organ formed in coordination with the Ministries of Supplies, Energy Resources, Railways, and Communications as well as China General Corporation of State-run Coal Mines to be in charge of the harmony in coal production, transportation and marketing and major issues in operation and management.

### Materials Shortage Expected To Be Eased

OW0709141289 Beijing XINHUA in English  
0631 GMT 7 Sep 89

[Text] Beijing, September 7 (XINHUA)—The shortage of key materials, which has been a main handicap to the country's economic development, is expected to be eased, according to "CHINA DAILY" today.

Ever since the second quarter of this year, the strain between material supply and demand has been relaxing and the prices of most materials are becoming stable and some are on the wane.

The market prices of 15 categories, including tin plate, cold-reduced sheet, silicon steel sheet, wire, copper, aluminium, nickel, pig iron, polyethylene, wood, cement and rubber, have been nosediving.

However, the stockpiling of some important materials has increased. By the end of July, the warehousing of all kinds of materials increased 52.5 percent over the same period last year and 14 percent compared with the beginning of this year.

During the past eight months this year, departments and state-run enterprises dealing with materials at all levels guaranteed the production and construction of some key industries.

The rise in materials production, more imports and less exports of material in short supply, the cutdown in demand resulting from the current retrenchment policy and restored circulation order owing to the clampdown on illegal activities have all contributed to the present upturn in material supply, the paper said.

### **Workers Forced To Buy Bonds To Boost Economy**

*HK0809025189 Hong Kong HONGKONG STANDARD (CHINA TODAY) in English 8 Sep 89 p 1*

[Text] Beijing—China plans to make workers buy government bonds in an effort to boost faltering state revenues.

But the move is likely to increase discontent, say sources.

With the national economy in a crisis, the government has found itself short of cash.

Tax revenues and profits at state-run enterprises are down and local authorities and citizens have been holding on to cash to avoid paying high interest for credit.

The plan, announced by the State Council in a circular, calls for 1.2 billion yuan (about HK\$2.6 billion) in funds by the year's end.

According to the Chinese sources, each worker will have to buy the equivalent of one month's salary in bonds by then.

The bonds mature in three years and interest rates are tied to the cost of living.

With inflation in urban areas at more than 25 percent, few workers welcome the plan.

China's 250 million workers, most employed in state-run businesses, factories and other organisations, earn an average of 400 yuan a year.

The country's 800 million farmers are not affected.

"I don't know where the money will come from," said a worker in a state-owned factory.

"I have two children in school and my salary combined with my wife's barely gets us by."

The investment is unattractive to workers, who say the government is shifting the national economic burden on to their shoulders.

They also distrust the government's ability to repay them at the rates promised.

"There were runs on banks last year and people really haven't enough confidence to put their money back yet," said a Western banker in Beijing.

"The government is strapped for cash and they're squeezing the workforce to get it."

Finance Minister Mr Wang Bingqian said last week domestic revenue in the first seven months of 1989 was up 8.4 per cent over the same period last year but domestic expenditure was up 11.4 percent.

Urban workers joined the student-led democracy movement earlier this year, which targeted official corruption and declining living standards.

Their participation is believed to have provoked this response from the leadership.

With the economy overheated by free-market reforms, the government last year introduced an austerity programme in which credit was tightened.

Now, state-owned enterprises are unable to meet production quotas because of cash short-falls.

More than 250 billion yuan is believed to be held outside the banking system by local enterprises and citizens.

The floating cash contributes to inflation and has left the state short.

### **Nation Becomes Leading Cement Producer**

*OW0809073089 Beijing XINHUA in English 0103 GMT 8 Sep 89*

[Text] Beijing, September 8 (XINHUA)—China now produces 200 million tons of cement each year, making it the biggest cement producer in the world, according to today's "PEOPLE'S DAILY".

The development of various grades of cement puts China in the international lead, said Wang Yanmao, director of China's State Bureau of the Building Materials Industry.

He said 203 million tons of cement were turned out last year. Two-thirds of this were used in industry, transportation, energy and urban construction, and one third for land and water conservancy, and roads and bridges in rural areas, as well as peasants' residences.

### **Nation Ranks 2d in Woolen Production Capacity**

*OW0809002989 Beijing XINHUA in English 1543 GMT 7 Sep 89*

[Text] Beijing, September 7 (XINHUA)—Woolen textile production has become the second major sector in China's textile industry and China has become the world's second largest in terms of woolen textile production capacity, an official of the Chinese Ministry of Textile Industry said here today.

He said the total output value came to 10.6 billion yuan in 1988, 74.6 times as much as that in 1949 when the People's Republic of China was founded.

Prior to 1949, he said, China's woolen industry was primarily located in Shanghai while today every of the 30 provinces and municipalities has its own woolen factories, producing a wide range of products such as woolen sweaters, blankets, woolen fabrics and knitting yarn.

The official claimed China's woolen fabrics have been up with world counterparts in terms of quality, style and pattern.

Last year, he said, China exported 37 million meters of woolen fabrics and 3.5 million blankets, five times and 58 percent more than in 1978 respectively.

However, the official said, China's woolen industry still has a long way to go in catch up with that in industrialized countries in all aspects.

### Port Construction Keeps Pace With Trade

OW0709135889 Beijing XINHUA in English  
0728 GMT 7 Sep 89

[Text] Beijing, September 7 (XINHUA)—Forty years ago when the People's Republic of China was founded, only about a dozen deep-water berths were scattered along the 18,000-km Chinese coastline, with a total handling capacity of no more than five million tons.

Today there are a total of 1,200 docks, including 250 10,000 dwt wharfs. Total handling capacity has been upped to 500 million tons.

This figure also shows that the total deep-water berths at present are now four times more than those in 1949 and that overall port handling capacity has been increased by over 100 times, according to the Ministry of Communications.

Yang Lihua, an official from the ministry's engineering bureau, told XINHUA here today that port construction has ever been a top priority of the country's infrastructure building and is still gaining upward momentum, in pace with China's fast-growing foreign trade.

Since 1949, and especially since 1979, when the country adopted the policy of opening to the outside world, China has invested heavily in widening its outlets to the sea.

From 1949 to the early 1970s, China built or revamped 30 berths capable of handling 10,000 dwt ships. And from the early 1970s to 1980 China added an accommodation capacity of 100 million tons by building 55 deep-water berths.

During the past ten years China's ports have entered into a period of massive expansion. Between 1979 and 1988, some 106 deep-water berths and quite a few smaller docks were put into operation, upping the handling capacity of Chinese ports by 200 million tons.

During this period many large and high-efficiency specialized docks including 200,000 dwt and 50,000 dwt petroleum wharfs, 100,000 dwt and 50,000 dwt coal berths, and 30,000 dwt automatic coal loading-unloading docks and bulk grain docks were put into use, bringing China's port freight-handling capacity to the advanced world level.

Meanwhile eight container berths were built in the Tianjin, Shanghai and Guangzhou ports.

The construction of so many ports and docks are opening the doors wider for the country's bustling import and export trade, according to Lin Zuyi, vice-minister of Communications.

At present, over 90 percent of China's import-export materials are handled by ports.

Currently the construction of the 44 docks China plans to build this year is well underway and is expected to be completed as scheduled by the end of the year. The operation of these docks will add a throughput capacity of over 10 million tons.

According to the Communications Ministry, China is now pushing ahead with an ambitious program to build north-south sea transport arteries along its coastlines, which will involve the construction of 200 new ports and four hub international transfer ports in Dalian, Ningbo, Shenzhen and Xiamen, respectively.

As part of the program, the country plans to build 200 berths, including 120 deep-water ones, during the current five-year-plan period (1986-1990).

According to Qian Yongchang, minister of Communications, China's coastal ports are expected to have a handling capability of 550 million tons by the end of 1990.

### Importation of Foreign Books To Continue

OW0809090689 Beijing XINHUA in English  
0530 GMT 8 Sep 89

[Text] Beijing, September 8 (XINHUA)—China has taken measures to encourage the import of wholesome and serious cultural and scientific products from abroad, according to "CHINA DAILY" today.

The China National Publications Import and Export Corporation plans to hold its third international audio and video products exhibition and sales next month in Beijing, said Zhao Yingsheng, director of the corporation.

The corporation will also host the Beijing International Book Fair in September next year to facilitate the exchange of publishing information, expand the book trade and promote publishing ventures between China and other countries.

The corporation handles imports of foreign periodicals, books, video and audio tapes for Chinese institutions such as government offices, state-run enterprises and tourist hotels.

Each year the corporation imports about 100,000 titles (more than a million volumes) of books, more than 500,000 special publications and more than 27,000 newspapers and other periodicals (about 280,000 subscriptions).

However, there has been a drastic decline this year in both the imports and exports of publications.

Zhao attributed the decline in imports to foreign exchange budget cutbacks in some Chinese institutions.

Institutions which have maintained or slightly increased their spending on imported books could not buy more books because of price increase abroad.

Measured by money spent, the leading exporter of books to the corporation is the United States, but in terms of volumes, the leader is the Soviet Union, Zhao said.

To promote book exports, the corporation has started China's only joint publishing venture by co-operating with a British company, Pergamon Press.

#### Youth, Growth of Workforce Cited

OW0809101789 Beijing XINHUA in English  
0624 GMT 8 Sep 89

[Text] Beijing, September 8 (XINHUA)—The total number of Chinese workers came to 136 million by the end of last year, 17 times the figure in 1949, the founding year of the People's Republic.

Nearly 98 percent of them joined the ranks of the work force after 1949 and 70 percent are workers aged 35 or under.

The number of women workers amounts to 50.36 million, 76 times the 1949 figure. In the service trades, commerce, culture and education, finance and science and technology, women workers make up one-third of the total.

China has built 4,390 big and medium-sized enterprises in the past 40 years. State investment in fixed assets of state-owned enterprises during the 1950-88 period totalled 2,150 billion yuan.

#### Agriculture Minister Cited on Summer Grain Crops

OW0809113089 Beijing Domestic Service in Mandarin  
0700 GMT 24 Aug 89

[Text] According a report filed by XINHUA reporter (Tian Hongxiang), the Ministry of Agriculture pointed

out not so long ago that agricultural departments in various localities must make early preparations for autumn and winter sowing to lay a good foundation for increasing next year's agricultural production.

At the national conference for autumn sowing in north China, Vice Minister of Agriculture Chen Yaobang said: To do a good job in autumn and winter sowing is of great significance. Our past experience shows that we must do a good job in autumn and winter sowing in order to make a breakthrough and reap a good harvest in grain and oil-bearing crops the following summer. This would provide a good start and a good foundation for reaping an overall bumper harvest next year.

Chen Yaobang said: To push the output of grain and oil-bearing crops to a new high level next year, various localities must pay attention to the following tasks for autumn and winter sowing:

- Steadily maintain a larger sowing acreage, work out sowing plans as soon as possible, and carry out sowing on time;
- Introduce seeds of fine strain, and work out the proper proportion of seeds for winter and spring crops; and
- Make full use of chemical and organic fertilizer to increase soil fertility.

Chen Yaobang stressed: The Ministry of Agriculture plans to develop a vigorous campaign to increase the output of grain and oil-bearing crops next summer. In this respect it will launch a nationwide emulation drive for higher agricultural output on an even larger scale, while summing up the experience in the movement to increase the per-mu yield of corn by 100 jin in the Huanghe and Huaihe basins.

In a summing-up report, Minister of Agriculture He Kang said: North China must shoulder a heavier responsibility with regard to fulfilling the task of increasing the output of summer grain crops for the next year. He pointed out: There are 17 provinces and municipalities in north China, including Jiangsu and Anhui Provinces. The entire output and total acreage sown to summer grain crops in north China account for 60 percent of the total output and acreage in the country. Taking the differences in grain output in various localities in north China into consideration, we expect the total grain output next summer to increase by 2.5 to 3 billion jin if the per-mu yield of summer grain crops remains the same average level. The total output of grain crops next summer will be even higher if areas with higher yields further increase their output and expand the acreage sown to summer grain crops.



## East Region

### Anhui Secretary Comments on Rural Policies

HK1209023589 Beijing NONGMIN RIBAO in Chinese  
23 Aug 89 p 1

[Report by Chen Deyi (7115 1795 3015): "Anhui Secretary Says Existing Rural Policies Will Remain Unchanged"]

[Text] Hefei, 22 Aug (NONGMIN RIBAO)—"Our existing rural policies will remain unchanged. They must not sway to the left and then to the right," said Lu Rongjing, Anhui Provincial CPC Committee secretary, to the comrades at a meeting for analyzing the rural situation and discussing township and town enterprises and rural energy on the evening of 21 August.

Recently, some comrades have been confused about the rural policies mainly because they have not been able to distinguish practising bourgeois liberalization from adhering to socialist orientation.

Referring to the instructions given by Deng Xiaoping stressing that the policies formulated since the 3d Plenary Session of the 11th CPC Central Committee will remain unchanged, that not a word will be removed from the 13th CPC Central Congress report, and that the two basic points shall be upheld, comrade Lu Rongjing reminded everyone:

- The contract system with remuneration linked to output based on the household must not waver in the least;
- The development of township and town enterprises must not slacken;
- Peasant entrepreneurs, joint-family enterprises organized by families, and individual industrial and commercial enterprises must not be negated.
- Peasants taking part in circulation must not be dealt blows.

Lu Rongjing said: "Improvement and rectification is aimed at people who do harm to the development of the economy. Those peasant entrepreneurs, individual, industrial, and commercial enterprises, and peasants who have contributed to and prompted the development of the rural economy should of course be protected and supported."

Lu Rongjing pointed out: "Recently people in some places have not dared to talk about peasant participation in circulation. This is not right. Improving and rectifying the economic environment and order and punishing corruption certainly do not strangle the economy. Rather, they serve to further develop it. If the rural economy cannot be invigorated, circulation is blocked. Those peasants who have done well in circulation should continuously be supported."

When talking on township and town enterprises particularly, Lu Rongjing said: "The problem that our province is facing is not whether or not township and town enterprises should be developed, but how they will be developed. Township and town enterprises should be readjusted according to the spirit of the 4th Plenary Session of the 11th CPC Central Committee [as published]. Those township and town enterprises that consume a great amount of energy or scramble for raw materials with big industries should be deterred. The readjustment is only aimed at better development. Those township and town enterprises that can promote the development of agriculture, particularly, developmental agriculture; that can increase energy; and that do not scramble for materials with big industries while benefiting the development of the urban and rural economy should be continuously developed without fear."

### Anhui Trade Unions Federation Ends Meeting

OW1109035389 Hefei Anhui Provincial Service  
in Mandarin 1100 GMT 24 Aug 89

[From "Provincial Hookup" program]

[Text] The Third (Enlarged) Meeting of the Standing Committee of the Eighth Anhui Provincial Federation of Trade Unions ended on 22 August. It lasted 4 days.

The meeting was aimed at carrying out central leaders' instructions concerning trade union work, as well as the guidelines of the 3d (Enlarged) Meeting of the Presidium of the 11th Executive Committee of All-China Federation of Trade Unions.

The meeting asks trade unions at all levels across the province to uphold the party's leadership, carry out their work independently, and, centering around the four major tasks put forth at the 4th Plenary Session of the 13th CPC Central Committee, do whatever is necessary to accelerate the reform of trade union work.

The meeting calls on the massive number of staff members and workers across the province to get into action immediately; further press ahead with the "double increase, double economy" campaign; and make up for the losses incurred during the disturbances.

The provincial party committee attached great importance to this meeting. The Standing Committee of the provincial party committee heard reports from trade union organizations prior to the meeting. Leading comrades of the provincial party committee, the provincial Advisory Commission, the provincial People's Congress, the provincial government, and the provincial committee of the Chinese People's Political Consultative Conference met participating comrades during the meeting and held talks with the representatives.

Comrades Lu Rongjing and Fu Xishou made important speeches.

Participating comrades said happily: The speeches of Comrades Ru Longjing and Fu Xishou affirmed the contributions made by the massive number of staff members, workers, and trade union organizations at all levels across the province in quelling the counterrevolutionary rebellion, restoring normal order to society, and making further advances on the already very good situation of stability and unity. The affirmation greatly hearten the working class and the massive number of trade union cadres in the province. They unanimously pledged to carry out their work independently under the leadership of the provincial party committee.

The meeting deliberated a report by (Bian Guofu), chairman of the provincial federation of trade unions. The report dealt with carrying out the guidelines of the 4th Plenary Session of the 13th CPC Central Committee, uniting all staff members and workers in the province, exerting the influence of trade unions, and contributing to the implementation of the four major tasks.

The meeting also passed a resolution on furthering the "double increase, double economy" campaign. It calls on all staff members and workers across the province to focus on improving economic effectiveness, to greet the national conference of model workers and advanced personages and the 40th founding anniversary of the country with excellent achievements, and to make more contribution to promote Anhui's economy.

#### Wall Collapse in Fujian Kills 30; Injures 25

HK1209100089 Beijing ZHONGGUO XINWEN SHE  
in Chinese 0851 GMT 12 Sep 89

[Report: "A Major Accident Occurs in a Secondary School in Liancheng County, Fujian Province"—ZHONGGUO XINWEN SHE headline]

[Text] Fuzhou, 12 Sep (ZHONGGUO XINWEN SHE)—On the evening of 10 September, at about 2000 local time, the walls around the football field inside No. 1 Secondary School in the county town of Liancheng, western Fujian, suddenly collapsed. Thirty students and local residents were killed immediately, and 25 people were injured with four of them being seriously injured.

That day, the secondary school celebrated the 75th anniversary of its founding and celebrated Teacher's Day. That evening, more than 4,000 people, including teachers and students in this school, gathered on the football field to watch fireworks and see movies. However, some students ignored dissuasion and climbed to the top of the walls around the football field. Suddenly, a section of wall collapsed and caused heavy casualties.

After the accident occurred, Luo Gan, secretary general of the State Council, sent an urgent telegram to instruct the local authorities to properly handle the aftermath of the accident. Fujian Provincial Governor Wang Zhaoguo also went to Liancheng that night to direct the rescue action and handle the aftermath of the accident.

Now the dead have been buried, and the 25 wounded people are now being treated in the county hospital.

#### Li Peng Extends Sympathy

OW1209154989 Beijing XINHUA in English  
1508 GMT 12 Sep 89

[Text] Fuzhou, September 12 (XINHUA)—A concrete board collapse killed 30 students and injured another 25 people in the No. 1 middle school in Liancheng County, Fujian Province on Sunday.

The mishap took place at 8:00 pm Sunday night, when 4,000 people were gathering at the school's basketball field to watch a film and a fireworks show, which were part of the celebration activities to mark the school's 75th founding anniversary.

When a number of people climbed up the concrete cover of a wall newspaper board to view the show, the 20 meter long structure collapsed.

Premier Li Peng has asked provincial leaders to express his sympathy for the families of students killed and injured in the accident.

Fujian Governor Wang Zhaoguo and other local leaders are guiding the rescue work.

All the injured are still hospitalized.

#### Fujian Meeting Discusses Trade Union Work

OW1109034289 Fuzhou FUJIAN RIBAO in Chinese  
15 Aug 89 p 1

[Text] On the evening of 7 August, the Fujian CPC Committee convened a Standing Committee meeting at which the following demands were made. "Party committees at various levels should wholeheartedly adopt the viewpoint of the working class; should give full play to the role of democratic participation and social supervision of the trade unions; should learn to rely on the working class and should unite workers and staff members through trade unions; should stabilize the contingent of workers and staff members; and should strive to enforce the party's basic lines and fulfill various tasks."

The meeting earnestly discussed such issues as wholehearted reliance on the working class, strengthening party leadership over the trade unions, and giving full play to the organizational role of the trade unions. It stressed: While continuing to implement the guideline set down at the 11th National Congress of the All-China Federation of Trade Unions, we should clearly define the following issues:

1. We should fully affirm the position and role of the working class in our socialist country and wholeheartedly rely on it. The working class, including intellectuals who are the major component of the working class, is not only a vital force for production, construction, reform, and opening to the outside world, but also a force contributing to social stability. At a time when we are

greatly promoting the Sino-foreign joint ventures, cooperatives, and wholly foreign-owned, enterprises, we must still stress better the leading role of state-run enterprises as well as bring the role of industrial workers into play. Party organizations at various levels should wholeheartedly adopt the view of relying on the working class. News units must make more propaganda work on the position and role of the working class.

2. We should enhance the educational function of trade unions and transform trade unions into a great school for communism. Trade unions at various levels should abide by the party's basic line; adhere to "one central task, two basic points," [the central task of economic development and the two basic points of adherence to the four cardinal principles and implementation of reform and open policy] and treat the strengthening of ideological and political work among workers and staff members as one of the important tasks of the trade unions. Currently, among workers and staff members, we should step up education on adhering to the four cardinal principles and opposing bourgeois liberalization; carry out education on patriotism and instill into them the spirit of the working class being the masters of their own country; and elicit from them the sense of historical mission and responsibility as the masters of the country, so that they may consciously and fully bring their role of vital force in society into play.

3. Trade unions should work independently under the leadership of the party. Trade unions as a mass organization of the working class under the leadership of the party must stress party leadership, and not become trade union organizations opposing the party, let alone become illegal trade union organizations; on the another hand, they should dare to safeguard the legitimate rights of workers and staff members and reflect their reasonable demands. They should strive to win the trust of the masses; unite workers, staff members, and the masses around the party; and put the role of being the link and bridge between the party and the masses into play.

4. Party committees and governments at various levels should stress the work of trade unions, and bring the democratic participation and social supervision of the trade unions into full play. They should learn to rely on the working class and unite workers and staff members through trade unions; should stabilize the contingent of workers and staff members; and should strive for enforcing the party's basic lines and fulfilling various tasks. The provincial government may continuously adopt the form of holding joint meetings with the provincial trade unions to solicit opinions from the trade unions, and study and help solve problems of popular concern of workers and staff members. It is suggested that such joint meetings should at least be held twice a year; however, in holding such meetings, we must stress the quality and ensure practical results. People's congresses at or above county level and standing committees of the CPPCC should invite the responsible persons at the same level of trade unions, the Communist Youth League, and women's federations to the meeting.

Responsible persons of these organizations may attend relevant Standing Committee meetings of party committees of the same level as observers.

### **Jiangsu Party Organizations Evaluate Members**

*OW0709222889 Nanjing Jiangsu Provincial Service in Mandarin 0915 GMT 6 Sep 89*

[From the "News" program]

[Text] On the basis of the plan drawn up by the Jiangsu provincial party committee and the experiences gained from selected units, 33,000 grass-root party branches in Jiangsu have achieved noticeable results in evaluating the performance of their members in a democratic manner since early 1988. By the end of last June, 20,212 outstanding party members had been commended, 108 degenerates were expelled from the party, and 5,726 unqualified party members had been (?disciplined).

During the evaluation, the local party organizations, on the basis of studying the documents issued by the 4th Plenary Session of the 13th CPC Central Committee and Comrade Deng Xiaoping's important speeches, examined the words and deeds of each and every party member, underscoring how they upheld the four cardinal principles and opposed bourgeois liberalization; how honest they were in performing their public duties; and how hard they worked. The fact-based evaluation encouraged the advanced party members and transformed the less advanced. After being instructed to mend their ways, 3,400 or so unqualified party members devised plans on how to become qualified party members, and many members have already followed through on these plans and had their reputations reinstated among the masses.

After the practice of evaluating party members' performance spread from party and government organs to enterprises and institutions, many localities and units—while striving to improve the conduct of their trades and wipe out corruption—have seriously enacted criticism and self-criticism, stressing the need for dealing with the problems of abusing authority for personal gain, bribetaking, and irregularities—problems which are resented by party members and the masses.

Based on the information concerning certain major problems reported during the evaluation, the Haimen County party committee ignored all attempts at interference and enlisted the efforts of various quarters in order to deal seriously with eight cases relevant to corruption among party member-cadres.

In view of their own weaknesses as well as of those caused by the influence of Comrade Zhao Ziyang's mistakes in weakening the party's leadership and role, and his serious disregard for party construction, many localities and units have revised or improved their regulations and rules for intensifying education, management, and supervision of party members. All of this has in turn strengthened the party's grass-root organizations.



### Shanghai Mayor Addresses Rural Cadres Meeting

OW1109044789 Shanghai City Service in Mandarin  
2200 GMT 5 Sep 89

[Text] The municipal party committee and government held a rural cadres conference yesterday. The meeting called on cadres at all levels in the suburban counties to be inspired with enthusiasm and lead the 5 million suburban peasants to work hard and make new contributions to stabilizing agricultural production, ensuring plentiful vegetable supplies, and developing and restructuring village and town industries.

Since the municipal conference on rural work at the beginning of the year, which proposed the call to regard agriculture as the foundation, municipal organs at all levels have been paying more and more attention to agriculture. From January to July this year, the supply of hogs, eggs, vegetables, and other nonstaple foodstuffs increased over the same period last year. In the course of improving the economic environment and rectifying economic order, the village and town industries have maintained steady growth. In the first 7 months of this year, the village and town industrial plants produced 13.2 billion yuan of products—including 2.6 billion yuan's worth of export commodities—up 34 percent from the same period last year.

Analyzing the current rural situation, Vice Mayor Ni Hongfu pointed out that a salient problem in Shanghai's rural economy is a drop of varying degrees in grain, cotton, and edible oil output from last year. He further pointed out that auxiliary facilities to the nonstaple foods production bases have also failed to meet the latter's needs; and that in the course of restructuring, some village and town enterprises will be ordered to shut down, stop production, merged with others, or change their products. He said: Some comrades still lack a clean understanding of policies related to the struggle to punish corruption and crack down on embezzlement and bribe-taking. These comrades are still ideologically confused and are taking a wait-and-see attitude. To cope with the situation, the meeting called on cadres at all levels to go all out to ensure a bumper harvest of autumn grain and plentiful supply of vegetables in September and during the National Day holiday season. All contracts for the buying of agricultural and sideline products must be honored. Production plans for next year's agricultural and sideline products must be prepared as soon as possible.

In his speech, Zhu Rongji, secretary of the municipal party committee and mayor of Shanghai Municipality, pointed out that currently the emphasis in rural work should be laid on stability and hard work. He proposed three requirements. First, firmly establish the concept of taking agriculture as the foundation, increase investment in agriculture, educate the peasants to save more and spend less, and give priority to agricultural modernization. Second, everyone should be mentally prepared for the economic difficulties currently facing us in order to check production drops. Village and town enterprises

with serious problems of low efficiency and pollution, and which compete with major industrial plants for raw materials, should be ordered to shut down, stop production, merge with other enterprises, or change their products. Third, pay close attention to educating the rural cadres in honest and clean government. Education should begin with leading cadres, going down to the grass-roots, level by level.

At yesterday's meeting, Shi Zhusan, chief procurator of the municipal procuratorate, spoke on policies and laws related to anticorruption and anti-bribe taking.

Wu Bangguo, deputy secretary of the municipal party committee, presided over yesterday's meeting.

### 'Severe Credit Crunch' Faces Shanghai

HK1209030189 Hong Kong HONGKONG STANDARD  
in English 12 Sep 89 p 6

[By Lo Dic]

[Text] Shanghai, China's largest industrial and commercial base, is facing a severe credit crunch.

Several of the city's flagship enterprises are so seriously affected they may have to halt operations, including such giants as the Baoshan Steel Company, the Jingshan Petrochemical Works and a factory producing the MD-82 airplane.

The construction of projects to produce ethylene, aluminium foil and colour TV picture tubes may also be affected. The projects represent Shanghai's hopes of maintaining a leading position in its competition with other provinces.

According to Shanghai municipal authorities, the credit crunch results from the austerity drive implemented by Beijing a year ago in its effort to control growth.

As China's leading business city, Shanghai has been particularly hard hit. One reason for this is the credit system agreed by Shanghai and the central government several years ago.

Under the system, the city receives a limited volume of bank loans each year. It uses the money from the loans to buy raw materials, either at concessionary prices set by Beijing or on the open market.

The system has run into trouble over unanticipated economic changes since the implementation of full-scale economic reform in 1984.

The most important of the changes has been the rapid rise in prices for raw materials.

Cutbacks have meant the city can buy only 20 percent of its needs at concessionary prices, down from 70 percent.

The rest must be bought at market prices, which have been escalating rapidly. A price index taking into



account 230 key raw materials indicates prices have more than tripled since 1987.

As a result, the city needs more money to maintain production. Shanghai is the largest supplier of consumer products to the domestic market, however, and Beijing has frozen prices for many of its goods in an effort to control inflation.

Shanghai has also been hit hard by Beijing's increasing borrowings, and a clampdown in tax collection.

Beijing borrows extensively from municipal governments, which have no option but to come up with the money for the loan. This year it is borrowing 1.2 billion yuan from Shanghai (about HK\$2.6 billion), up from 740 million yuan last year.

The increase in tax collection will cost the city another 1.2 billion yuan this year.

Municipal officials say the city's credit volume must be readjusted to help it overcome the crunch.

As the country's economic powerhouse, they say, Shanghai deserves special treatment from Beijing.

### More Shanghai Workers Quit; Seek Unemployment

OW1209000489 Beijing XINHUA in English  
1419 GMT 11 Sep 89

[Text] Shanghai, Sept 11 (XINHUA)—More than 20,000 Shanghai residents who rashly resigned their former jobs have joined the unemployment lines, bringing the total number of unemployed to 57,000 by June.

During the first half of this year some 14,700 people were out of work after resigning, according to a local official.

Some 10,000 of them were workers at state-run enterprises and 10,000 of them were contracted workers who asked to terminate their contracts. The other 4,000 were dismissed by their work units for various reasons.

"Pursuit of higher salaries is the main reason for their joblessness," the official said.

Another cause for the new rise in unemployment is that some people take it for granted that freedom to choose their jobs permits them to have their own way and to be controlled by nobody.

Several thousand workers have left their jobs every year in the past few years in Shanghai. Most of them believed that they could find other jobs easily, the official said.

Because of their incompetence, they not only lost their own jobs, but created a new unemployment problem, he pointed out.

The city's Labor Department revealed that Shanghai will face serious unemployment this year and next, for economic readjustment will prompt enterprises to reduce the number of their workers and more school-leavers will join the workforce.

### Shanghai Tax Evaders Receive Stiff Penalties

HK1209042989 Hong Kong SOUTH CHINA  
MORNING POST in English 12 Sep 89 p 10

[By Geoffrey Crothall]

[Text] Courts in Shanghai have been handing down stiff penalties to private entrepreneurs who evade taxes.

In just one day last month, 10 tax dodgers were sentenced from one to four years' imprisonment, ordered to pay back 1.5 million yuan (about HK\$3.1 million) in taxes and fined more than 260,000 yuan (about HK\$546,000).

A total of 717 cases of tax evasion have been investigated in the first half of this year and tax revenue from private businesses has increased by nearly 60 percent over the same period last year, says Shanghai's Vice-Procurator Ni Weiyao.

Private businesses are now subject to intense scrutiny with police patrolling the main antique and clothes markets, and government inspectors regularly checking accounts and inventories.

In addition, the municipal government has launched a major propaganda blitz to blacken the image of the private sector and so gain the support of state workers for its campaign against business malpractices.

In the face of this onslaught, many streetside stall owners have simply left town or returned to more legitimate enterprises.

Thirty-one private businessmen have given themselves up to the authorities, Mr Ni said.

Private entrepreneurs complain that they are being made the scapegoat for all of Shanghai's economic and social ills. It is unfair to accuse private businesses of tax evasion, they say, when the tax system itself is so complex as to make it virtually impossible to accurately assess how much tax is owed.

A Western investment analyst in Shanghai agrees: "You would have to be a Wall Street lawyer to work out these tax regulations."

Private entrepreneurs and the self-employed, including actors and pop musicians are now worried that the authorities will use the imperfections of their taxation system to bleed the private economy for every cent they can get.

To begin with, there is the individual income tax which varies according to how many people the enterprise employs.

Income tax starts at 20 percent for people earning between 400 and 500 yuan a month (about HK\$840 to HK\$1,050) and goes up to 60 percent for people earning over 800 yuan (about HK\$1,680) a month.

Taxes on corporate earnings start at seven percent for business with profits of less than 1,000 yuan (about HK\$2,100) a month and go up, through nine increments, to 60 percent for companies earning more than 30,000 yuan (about HK\$63,000).

There are 11 separate "management taxes" and surcharges, including a service charge which stipulates restaurants serving Western food will have to pay five percent more than those serving Chinese food.

The "product tax" is divided into 25 different classes and ranges from three to 60 percent.

The State Taxation Bureau recently issued a circular stating that producers of certain consumer items including electric fans, motor-cycles, televisions, radios and refrigerators—who had been avoiding product tax—would not be permitted to do so in the future.

In addition there is the municipal protection tax, which varies from one to seven percent, according to where the tax payer lives, the materials tax, increment tax, and a special fuel tax.

To make matters worse, many of these taxes are collected by individual municipal government offices rather than a central tax bureau.

Given the complexity of the tax regime and the fact that most private entrepreneurs in Shanghai run cash businesses, it is almost impossible to ensure that all taxes are collected.

#### **Zhu Rongji Greets 90-Year Old Shanghai Resident**

OW1009143189 Shanghai City Service in Mandarin  
0900 GMT 1 Sep 89

[Text] This morning, Zhu Rongji, secretary of the Shanghai Municipal CPC Committee and mayor of Shanghai, personally presented a golden walking stick to Comrade Zhao Zukang for his 90th birthday. For many years, Comrade Zhao Zukang made tremendous contributions to building Shanghai and facilitating the reunification of the motherland. He still serves as honorary vice chairman of the Central Committee of the Revolutionary Committee of the Chinese Kuomintang and vice chairman of the Standing Committee of the Shanghai Municipal People's Congress although he is 90 years old. He has always shown grave concern over national construction and social development projects. Mayor Zhu Rongji wished Comrade Zhao Zukang good health and a long life. He praised Zhao Zukang for the latter's venerable age and eminent virtue, saying that the people in Shanghai would never forget him.

Those who visited Zhao Zukang today on his 90th birthday included Liu Jingji, Ye Gongqi, Wu Bangguo, Chen Tiedi, Mao Jingquan, and Xu Yifang.

#### **Zhejiang People's Congress Holds Plenary Session**

OW1009142389 Hangzhou Zhejiang Provincial Service  
in Mandarin 0900 GMT 1 Sep 89

[Text] The 11th Standing Committee meeting of the 7th Zhejiang Provincial People's Congress held a plenary session this afternoon. Wu Zhichuan, vice chairman of the Standing Committee, presided over the session. Zhong Borong, deputy secretary general of the provincial people's government, made a report on combatting natural disasters, relief work, and agricultural production. Those attending the session listened to an explanation made by Song Shaoxiang, head of the provincial Financial Affairs Department, on the draft regulations to strengthen efforts to levy a regulatory tax on the basis of individual income. They also heard an explanation made by Cai Yangmeng, deputy director of the provincial Public Security Department, on the draft regulations for the implementation of a security system in provincial government organizations, social groups, enterprises, and other undertakings. In addition, they listened to the draft regulations on supervising judicial work by the standing committees of various local people's congresses, as well as a report on the regulations for the protection of aquatic products in the Xiangshan Harbor of Ningbo City. They also heard a report on adequately increasing the number of people's deputies at the county and township levels, as well as the reports made by the responsible persons of the provincial Higher People's Court and the provincial Higher People's Procuratorate on the list of personnel appointments and dismissals.

Chairman Chen Anyu and Vice Chairmen Wu Minda, Li Yuhua, Wang Qidong, Zhu Zuxiang, and Yang Bin of the Standing Committee attended the session. Vice Governor Wang Zhonglu and others were present at the session as observers.

### **Central-South Region**

#### **Guangdong Secretary Stresses Afforestation**

HK1209125089 Guangzhou Guangdong Provincial  
Service in Mandarin 0400 GMT 12 Sep 89

[Text] The fourth provincial mountain area work conference entered its third day's session today, at which Lin Ruo, provincial party committee secretary, delivered a speech entitled: Make persistent efforts to work for a better life by transforming mountains and strive for a green land throughout Guangdong.

After reviewing the remarkable achievement that our province had made in afforestation in the past 4 years, he emphasized: It is necessary to once again arouse and educate cadres and the masses to pay much attention to

afforestation so as to attain a yet higher scale in the province's afforestation and make the mountain areas more proper.

The meeting was presided over by Guo Rongchang, provincial party committee deputy secretary, and Ling Botang, provincial vice governor, attended it.

### **Guangxi Opens Cadre Study Class on 4th Plenum**

*HK1309015389 Nanning Guangxi Regional Service in Mandarin 1000 GMT 12 Sep 89*

[Excerpts] A course for senior party-member cadres of the regional organs to study the documents of the fourth plenary session opened yesterday [11 September]. [passage omitted]

Chen Huiguang, secretary of the regional party committee, spoke at a mobilization gathering for the study course. He said that since the 4th Plenary Session of the 13th CPC Central Committee and the 6th session of the 5th regional party committee, the party committees at all levels throughout the region have organized the party members, cadres, and masses to study the documents of the 4th plenary session and Comrade Deng Xiaoping's recent important speeches. In conjunction with reading material on the truth about quelling the counterrevolutionary rebellion in Beijing, they have studied the heroic deeds of quelling the rebellion and held discussions in conjunction with reality, thus enhancing understanding on major issues of principle.

However, due to the rampant spread of the ideological trend of bourgeois liberalization in recent years, people's thinking has become confused, and there are still some muddled ideas among some of the cadres and masses. To truly bring everyone's thinking into line with the spirit of the fourth plenary session, the leading comrades at all levels must do a great deal of thorough and painstaking work. This requires that the leading comrades first study still better and more deeply the documents of the fourth plenary session and Comrade Deng Xiaoping's speeches, to further enhance their ideological understanding. Hence, the task of this study class is to concentrate time and energy to study in depth the documents of the fourth plenary session and Comrade Deng Xiaoping's important speeches, profoundly understand and truly grasp their spiritual essence, and thus do a still better and more effective job in studying, cleaning up, and all other work in the departments and units. [passage omitted]

### **Hainan Secretary Reaffirms Appointment Policy**

*HK1409091689 Beijing ZHONGGUO XINWEN SHE in Chinese 0628 GMT 14 Sep 89*

[Report by reporter Zhao Shengyu (6392 0524 3768): "Xu Shijie Reaffirms Policy of Appointing Cadres According to Political Integrity and Ability"]

[Text] Haikou, 14 September (ZHONGGUO XINWEN SHE)—At the 3d Session of the Hainan Provincial Conference of People's Representatives, which concluded

today, Xu Shijie reiterated that Hainan Province will continue to adhere to its policy of appointing cadres according to political integrity and ability, and will not "appoint cadres according to their personal connections."

When analyzing the mistakes made by Liang Xiang, Xu Shijie said that the majority of the cadres of Hainan Province disagreed with Liang Xiang's erroneous practices and some cadres even resisted Liang Xiang's erroneous practices. Xu Shijie stressed that Liang Xiang's mistakes were not in the least naturally associated with the cadres who once had close relations with him, including those cadres who were transferred to work in Hainan Province by Liang Xiang and those cadres who have been working in Hainan Province for a long time. The majority of the cadres of Hainan Province, including those who came from other provinces and regions and those who have been working in Hainan for a long time, can still be trusted and relied upon. Xu Shijie stressed that Hainan Province will continue to unswervingly adhere to its policy of appointing cadres according to political integrity and ability irrespective of their personal connections. No matter who had recommended them, all the cadres of Hainan Province should continue to be appraised according to their performances and achievements, not according to their personal connections. When appointing cadres, Hainan Province must adhere to historical materialism.

Analysts said that the remarks made by Xu Shijie are conducive to the stability and unity of Hainan Province. Those cadres who once had close relations with Liang Xiang can now "set their minds at ease."

### **Hunan's Xiong Qingquan Discusses Education Issues**

*HK1009010589 Changsha Hunan Provincial Service in Mandarin 2200 GMT 9 Sep 89*

[Excerpts] On 9 September, provincial party and government leaders Xiong Qingquan, Liu Zheng, Liu Fusheng, and Wang Xiangtian held a forum with some responsible persons and teachers of nine Changsha tertiary education institutes to celebrate the fifth Teachers' Day. [passage omitted]

After listening to speeches by the teachers, Xiong Qingquan, secretary of the provincial party committee, made a speech. He first extended festival greetings and salutes to teachers throughout the province. He pointed out that the most fundamental issue on the education front is that of what kind of people to cultivate. The facts of the development from student unrest to turmoil and finally to counterrevolutionary rebellion have profoundly taught us that unless the proletariat occupies the position of tertiary education, the bourgeoisie will do so. Hence, we must assign the primary position to adhering to firm and correct political orientation.

Xiong Qingquan stressed that in adhering to firm and correct political orientation, we must pay attention to four aspects: Strengthening party building; strengthening the building of the teacher contingent; stepping up

education in basic theory; and stepping up ideological and political work. We should carry out rectification of party members in tertiary education institutes in ideology, organization, and work style, and purify the party organizations. At the same time, we must step up the building of the Communist Youth League in the institutes, build up a red and expert teacher force, and help young teachers to make up for missed lessons in politics, theory, and social practice. We should step up education in basic theory of Marxism-Leninism-Mao Zedong thought, and study the Selected Works of Deng Xiaoping. It is necessary to publicize positive examples with boldness and assurance and mobilize the forces of society and of the students' homes, so as to do a sound and effective job in ideological and political work. [passage omitted]

### Southwest Region

#### Further on Lhasa Court Sentencing of 'Culprits'

HK1309144689 Lhasa Tibet Regional Service  
in Mandarin 1030 GMT 13 Sep

[Text] The Lhasa City Intermediate People's Court and the People's Court of Chengguan District of Lhasa City held a meeting in Lhasa on the afternoon of 12 September to publicly pass sentences on seven culprits who had committed serious crimes during the 5 March Lhasa riots, and on two secret agents sent on missions by the secret service of the Dalai clique. Personages of all nationalities from all walks of life in Lhasa participated in this meeting.

The seven culprits, namely, (Basang), Cering Ngoizhu, Dagwa, (Langga), Dingling, Gaisang, and Dagwa, played an active part in the Lhasa riots taking place in Lhasa on 5 March. They chanted reactionary slogans for Tibet independence, delivered speeches to stir up separatist emotion, induced young people to sing reactionary songs that propagandize Tibetan independence, wantonly robbed, destroyed, and set on fire public and private properties, and beat up public security officers and other people. In doing so they ran utterly rampant, seriously disrupting social order and upsetting stability and unity in Lhasa.

When visiting his relatives in India and staying in (Laisuoersela) Lamasery as a lama from October 1986 till October 1988, culprit Danzim Puncog called on the Ministry of Security of the Dalai clique twice to accept special assignments. Culprit (Ouzhu) visited relatives in India in November 1978. Before he returned home, he accepted a mission assigned by the Ministry of Security of the Dalai clique. After arriving in Lhasa, these two culprits actively gathered intelligence and sent what they obtained to the Ministry of Security of the Dalai clique through foreigners. These two persons' criminal offenses, which impaired China's national security, constituted the crime of espionage.

According to the provisions concerned of the PRC Criminal Law and the PRC Law of Criminal Procedure, the Lhasa City Intermediate People's Court and the People's Court of Chengguan District of Lhasa City, sentenced culprit (Basang) to life imprisonment for deliberate destruction of public and private properties and robbery, and deprived him of political rights for life. The two courts sentenced Cering Ngoizhu to 12 years' imprisonment for the crime of counterrevolutionary propaganda and inflammatory delusion, and deprived him of political rights for 4 years; sentenced Dagwa to 4 years' imprisonment and (Langga) to 3 years' imprisonment both for the crime of counterrevolutionary propaganda and inflammatory delusion, and deprived them of political rights for 1 year; sentenced Dingling to 5 years' imprisonment for robbery and for deliberate destruction of public and private property; sentenced Gaisang to 4 years' imprisonment and Dagwa to 8 years' imprisonment for disturbance of public order; and sentenced (Ouzhu) to 11 years' imprisonment for espionage and deprived him of political rights for 4 years.

As secret agent Danzim Puncog had sincerely confessed his crimes and made contributions to the investigation into the case, he was given leniency—sentenced to only 5 years' imprisonment and deprived of political rights for only 1 year.

#### Tibet Secretary Speaks at Education Forum

HK1209032989 Lhasa Tibet Regional Service  
in Mandarin 1030 GMT 11 Sep 89

[Excerpts] The regional party committee and people's government, on the morning of 11 September, invited some representatives to the second regional meeting for commending outstanding teachers to a forum on how to further improve the region's education.

Attending it were Regional Party Committee Secretary Hu Jintao, Deputy Secretary Mao Rubai, Regional People's Government Vice Chairmen Gyibug Puncog Cedain and Tudao Doje, and leaders of the regional education and science commission. More than 50 representatives of advanced education workers from various prefectures, cities, and counties of the region and representatives of teachers from various provinces and cities of the country doing teaching work in Tibet expressed their opinions freely at the forum. [passage omitted]

After listening attentively to opinions and suggestions put forward by the representatives, Secretary Hu Jintao and Vice Chairman Tudao Doje made speeches. They first expressed their thanks and best regards to education workers. They noted that the opinions and suggestions put forward by all comrades with regard to education work are sincere and constructive. The regional party committee and government attach great importance to them and will seriously study them and solve them step by step. They also presented their own views on education work. First, Tibet has scored gratifying successes in its education in the past 30 years. Now we must view education from its strategic position in Tibet's economic



and social development and establish the good custom of respecting teachers and paying attention to education. Second, we must settle the issue of what kind of people should be trained, and this issue carries a special and important significance in Tibet. We must train qualified personnel who love the motherland and maintain national unity, and by no means should we train people who seek to practice splittism. In weighing education in our region, we must see whether the students we train are politically qualified. Third, we must make unremitting efforts to run well the lectures given by teachers from various provinces and cities of the country. Practice in the past few years has proved that this is a good method and yields marked results. The regional government should exert every effort to help teachers from various provinces and cities of the country solve some practical problems in their work. Fourth, we must work hard to foster the habit of doing good turns for education.

### North Region

#### Hebei Secretary Attends Ideological Work Meeting

SK1109022189 Shijiazhuang HEBEI RIBAO  
in Chinese 25 Aug 89 p1

[Excerpt] Within the next few days, all institutions of higher learning in our province will start their new school terms one after another. How to enable institutions of higher learning to give first priority to ideological and political work and how to do a good job in conducting education on upholding the four cardinal principles and opposing bourgeois liberalization among students and the teaching faculties during the new school year were the central topics for discussions and study at a meeting of party committee secretaries of institutions of higher learning throughout the province, which was held from 23 to 24 August. Leaders of the provincial party committee and the provincial government, including Xing Chongzhi, Li Wenshan, Liu Ronghui, Chen Yujie, and Wang Zuwu, attended and addressed the meeting.

In his speech, Xing Chongzhi said: During the previous stage, our country experienced a struggle involving the life and death of our party and the country. During this struggle, Comrade Deng Xiaoping made a profound and explicit summary, and called on the whole party to think calmly about the present and the future. In Hebei's situation, there was no big turmoil. However, the problems exposed in the province were quite serious. Although 56 institutions of higher education were in the same social environment, the situations in various institutions were different. Some institutions were always in good order, while others took the lead in stirring up trouble during the turmoil in Hebei. We should ask why there was such a problem in the latter, and should find out the reason for the difference because the problem lies in the difference. Only thus can we put forward measures and methods for solving this problem. While reviewing the past, leading bodies of various institutions should first sit down and sum up their work. You should sum up

your work and check how your leading bodies behaved during the turmoil, what your fighting strength was, whether you had adopted a clear-cut and firm stand or not, whether you had unswervingly carried out your work or not, whether you had maintained unity with the party Central Committee in every field of work or not, and whether your leaders had gained any experience and drawn any lessons or not. All in all, we must keep in touch with these issues and proceed with the work from our own initiative. All general party branches, party branches, and various departments should sum up their work to see whether they had supported turmoil, opposed it, or neither; and whether they had clarified the facts ideologically. All in all, we must be strict toward the leading bodies, party members, and teachers. Everything will be fine as long as the broad masses of students distinguish between right and wrong and understand the situation. But we must strictly treat and conscientiously ferret out those organizations, instigators and key members that stirred up turmoil, and must not treat them with leniency.

We must adhere to the socialist teaching orientation. We can judge whether we have done a good job in running a school or not by seeing whether the students we have trained are good in both conduct and school records. If a school trains a group of ruffians and persons who stubbornly stick to bourgeois liberalization, then this school is not providing a good education. We must conscientiously sum up experience and lessons in line with the reality of schools, make full use of the current excellent opportunity, and improve the ideological and political work of schools and their teaching and administrative work. Universities should have a good school spirit and should become examples for building the spiritual civilization. They should use good examples to influence society and should not bring the bad habits in society to schools. We should conscientiously draw experience and lessons from this turmoil, further run the socialist universities well, inherit the party's fine past traditions, create new experiences during the new period, and enable schools to have a correct orientation and more remarkable achievements.

Li Wenshan particularly touched on the issue that it is essential for institutions of higher learning to give first priority to ideological and political work. [passage omitted]

#### Hebei Standing Committee Meeting Opens 23 Aug

SK1209040889 Shijiazhuang HEBEI RIBAO  
in Chinese 23 Aug 89 p1

[Text] The ninth Standing Committee meeting of the seventh provincial People's Congress opened in Shijiazhuang this morning. This meeting will discuss the draft Hebei provincial regulations for price supervision and inspection and the draft decision of the Hebei Provincial People's Congress Standing Committee on revising the detailed rules and regulations for carrying out elections on the county- and township-level people's congresses in

Hebei Province; decide on the date for electing the next county- and township-level people's congresses; hear a report given by the provincial government on the implementation of the Hebei provincial economic plan and the budgets during the period from January to July 1989; hear a report given by the provincial government on the work of thoroughly halting turmoil and safeguarding social stability and make a relevant resolution; hear a report given by the provincial government on fighting corruption, strengthening administrative honesty, screening and consolidating companies, and on its suggestions for carrying out this work, and make a relevant resolution; and discuss personnel appointments and removals.

The meeting was presided over by Guo Zhi, chairman of the provincial People's Congress Standing Committee. Yue Zongtai, Liu Ying, Hong Yi, Zou Renyun, and Du Benjie, vice chairmen of the provincial People's Congress Standing Committee, attended the meeting.

Zhang Runshen, vice provincial governor; Wang Yugong, vice president of the provincial People's Court; Gao Wenying, deputy chief procurator of the provincial People's Procuratorate; responsible comrades of various departments and committees of the provincial People's Congress Standing Committee, the provincial Pricing Bureau, the provincial Planning and Economic Commission, the provincial Financial Department, the provincial Public Security Department, the provincial Judicial Department, the provincial Supervision Department, the provincial Industrial and Commercial Administrative and Management Bureau; and responsible comrades of the People's Congress Standing Committee of various cities under the jurisdiction of the provincial government, and the liaison offices in charge of the work of the People Congresses of various prefectures attended the meeting as observers.

#### **Inner Mongolia Secretary Inspects Bayannur League**

SK1109025489 Hohhot Inner Mongolia Regional Service in Mandarin 1030 GMT 5 Sep 89

[Text] While inspecting the rural areas in the Bayannur League, Wang Qun, secretary of the regional party committee, stressed that it is necessary to unswervingly implement the ideological line of emancipating thinking, seeking truth from facts, uniting as one, and adopting a forward-looking attitude; continue to deepen rural reform; prefulfill the region's three immediate fighting objectives; and accelerate the pace of becoming comparatively well-off.

From 31 August to 5 September, leading comrades of the region, including Wang Qun, Liu Yunshan, and Liu Zhenyi went deeply to Linhe City, Hanggin Rear Banner, Wuyuan County, and Urad Front Banner to inspect townships, towns, villages, and peasant households to see their [words indistinct], farmland capital construction, transformation of saline-alkali land, family-based livestock breeding households, and courtyard fruit tree planting, to understand the production and living conditions of the

masses and to extensively listen to the suggestions offered by grass-roots cadres, peasants, and scientific and technical personnel. They also discussed with responsible comrades of the Bayannur League party committee and the commissioner's office how to enable this league to take the lead in becoming relatively well-off.

Wang Qun and other leading comrades unanimously held that during the past few years, the Bayannur League persisted in following the road of combining agriculture with animal husbandry and forestry to achieve a comprehensive development, enabled the rural economy to shift from a single-product economy to a pluralistic economy, and gave rise to a large number of large households and models, which did a good job developing large-scale production and producing a large amount of commodities. They held that this league began to move from a self-sufficient small-scale peasant economy to a planned commodity economy. This is a move with a good orientation, a very valuable move.

Comrade Wang Qun pointed out: In terms of the current situation, the Bayannur League has a very good foundation. The output of wheat, oil-bearing crops, beets, melons, and fruits ranked first in the whole region. The per-capita amount of grain for peasants, the number of livestock, and the level of average per-capita income are also high.

We may affirm that if the Bayannur League fully taps the existing potential, its contributions to fulfilling the region's immediate three fighting objectives will be great. It is absolutely possible for this league to take the lead in becoming relatively well-off.

Comrade Wang Qun pointed out: To accelerate the pace of becoming relatively well-off, we must first emancipate our thinking, be bold in reform and opening up, and be brave in pioneering the road of advance. He said: To combine emancipation of thinking with seeking truth from facts, we must not take an isolated and one-sided course in stressing the practice of seeking truth from facts. We must look at things dialectically, have faith in science, and rely on the masses. In emancipating thinking, we will also face an issue of how to break from the pattern of the traditional operation of small-scale production. At present, some peasants have exceeded the level of dressing warmly and eating their fill, and they all want a comfortable life. We should use typical examples to lead them to follow the path of large-scale farming. We should develop socialized large-scale production.

Comrade Wang Qun said: At present, we must not neglect the efforts to deepen rural reform, because it still remains a major task of the rural work. On the basis of improving the family-based contract responsibility system, we should also actively develop collective contract projects and establish scientific and technological experimental bases and comprehensive service bases. In developing agricultural production, we must rely on policies, science, technology, and service. All of them are indispensable. He stressed: To develop and expand the

collective economy, we do not mean to take a backward road. This is an issue concerning our efforts to persist in socialist orientation.

### Inner Mongolia Holds Security Conference

SK0609112889 Hohhot Inner Mongolia Regional Service in Mandarin 1030 GMT 5 Sep 89

[Excerpts] This afternoon, the regional party committee and government held a regional televised telephone conference to call on all leagues and cities, banners and counties, and all regional departments concerned to take action urgently, to have top leaders take charge of the work, and to have all quarters make coordinated efforts to strengthen realistically security work during the 40th anniversary of the National Day, and to guarantee the absolute safety of the celebration activities.

Leaders of the regional party and government organs, including Qian Fenyong, Ma Zhenduo, Wen Jing, and Seyinbayaer attended the conference. The conference was presided over by Comrade Ma Zhenduo. Comrade Wen Jing gave a speech at the conference.

Wen Jing said: This year's National Day is different from those of the previous years. First, the PRC has traversed a glorious course of 40 years. The people of various nationalities should warmly celebrate this glorious festive day. The scale of celebration activities and the degree of enthusiasm should be greater than that of the previous years. Second, this year's National Day is the first important festive day that comes right after the country's decisive success in the struggle to halt turmoil and suppress rebellion. In order to do a good job in the security work during the national day, the regional party committee and government put forward the following demands:

1. The whole region, especially Hohhot and Baotou Cities, and all leagues and cities, should formulate plans to strengthen security work in the important departments, including the leading party and government organs, the radio and television stations, the press offices, the postal and telecommunications departments, the power plant, the water plant, [words indistinct], the firearms and ammunitions depots, and the important materials depots. [passage omitted]

2. It is necessary to deal strict blows to the sabotage activities of those active counterrevolutionaries and serious criminals. These are important measures for stabilizing the political situation, safeguarding social security, and guaranteeing safety during the festive day. At present, first of all, we must step up our efforts to make checkups. Second, in line with the plans issued by the Ministry of Public Security, we should concentrate our efforts on conducting a region-wide campaign to deal strict blows to serious criminal activities, with a focus on fugitive criminals, in the middle or late September. At the same time in the urban areas, in addition to eliminating pornography and repulsive social phenomena, we

should deal strict blows to those who engage in prostitution and those who visit prostitutes, those who traffic narcotics, and to the gambling ringleaders and gamblers. While conducting activities in a concentrative manner to deal blows to fugitive criminals, we should pay special attention to ferret out the wanted fugitive counterrevolutionaries and persons who created turmoil.

3. It is necessary to pay great attention to all activities of institutes of higher learning. Particular efforts should be made to grasp ideological and political work, enhance the people's understanding, change their stand and eliminate destabilizing factors. We should attend to the security and safety work in all institutes of higher learning, maintain a good order in school campus, and prevent unlawful elements from stirring trouble in the campus.

4. It is necessary to strengthen social security. Prior to the National Day, all localities and departments should conscientiously conduct a campaign to clean up firearms, ammunitions, explosives and noxious articles, and strengthen realistically management over these things.

Comrade Wen Jing stressed at the end of his speech: The party committees and governments of all leagues, cities, and counties should grasp the security work during the national day as a major task and should grasp it firmly and well. We should formulate work plans in line with the reality in our own localities, make careful arrangements, implement the plans with strenuous efforts and guarantee safety during the (?peak period).

### Inner Mongolia Suffers Electricity Shortage

HK1309104389 Beijing CHINA DAILY in English 13 Sep 89 p 4

[Text] Electricity shortage, a serious problem in China, is a severe headache to people in the Inner Mongolia Autonomous Region, the Newspaper ECONOMIC INFORMATION said in a recent report.

In Hohhot, the capital city of the northern China region, power cuts increased dramatically between 1986 and 1988, with outages lasting up to four hours.

Although the region has abundant coal—a major fuel for generating power—its electricity capacity is limited, the paper said.

For instance, the installed capacity of the electricity network in the region's western part is only 600,000 kilowatts. Yet it has to supply power to more than 14 million residents and 4,000 enterprises in eight cities and 60 counties and banners (an administrative division at county level).

The region's agricultural and industrial production grew an average of 15 percent a year between 1981 and 1987 but power supply only increased at a rate of 4 percent a year. The gap between electricity supply and demand has not narrowed but widened, the paper said.



### Cut Down

As a result, industrial production, farmland irrigation and people's normal lives have been adversely affected.

At the Baotou Iron and Steel Plant, one of the largest in China, the power supply has been cut by 30,000 kilowatt-hours per week, causing an annual drop in production of several hundred thousand tons of steel.

In Liangcheng County in Ulanqab League (an administrative division corresponding to a prefecture), 70 percent of the seedlings planted in 1.53 million mu of farmland withered under the hot summer sun last year because insufficient power supply was available for irrigation.

The paper criticized the wasteful use of electricity such as having lights on even when not needed.

One survey found the region consumes twice the energy of the average for the entire country for every one yuan of output value. Wasteful business practices are to blame, the paper said.

Policy reforms are essential to speed up power development, the paper said.

It noted energy experts have urged more tax incentives and breaks.

However, taxes on industries in the region have gone up from 4 percent in the 1950s to 25 percent at present. This has had the effect of killing the goose that lays the golden egg, the paper said.

### Reform

Some economists also suggest that the conventional management system in the industry be reformed in order to strengthen self-development.

The "contract responsibility" system, which has proven successful in many other industrial sectors, should be introduced into the power industry, the paper said.

In addition, the financial sources of the power industry ought to be broadened. The industry should not rely solely on State funding.

The paper said the State could levy extra taxes on enterprises with high electricity consumption to finance expansion of the power industry. A surcharge of two fen per kilowatt-hour, would generate more than 100 million yuan in revenue, enough to provide a new generating set of 100,000 kilowatts.

Another remedy could be preferential policies to attract other provinces and cities to set up power stations in Inner Mongolia, the paper said.

However, this would be a longer term solution. Quick economic results could not be expected. Therefore, a variety of methods should be employed.

### New Power

The paper felt new power resources should be tapped.

For instance, the region has more than 3,000 hours of sunshine a year, thus making it feasible to use solar energy.

Wind power, which is generated at a low cost and has been used successfully in some areas, is also a promising new energy resource.

The region has rich water resources, opening prospects for hydroelectric power.

The paper said the immediate task is to practise more economy in using electricity.

This means turning off lights that are excessive or unnecessary.

It also means setting clear power consumption limits for households and units and double-taxing those exceeding the limits.

In some areas, the power consumption ratio per 1,000 yuan worth of output value has been set as the criteria of entrepreneurial management, the paper said.

### Roundup Views Tianjin's Use of Foreign Investment

OW0709060289 Beijing XINHUA in English  
0124 GMT 7 Sep 89

["Roundup: Tianjin Makes Strides in Using Foreign Investment"—XINHUA headline]

[Text] Tianjin, September 7 (XINHUA)—The past ten years have proved that the Remy Martin group of France is a success in its co-operation with Tianjin, the largest port city in North China.

The "Dynasty" brand wine made by this first Sino-foreign joint venture in the city is sold in many hotels and restaurants which are frequently patronized by overseas visitors. It has also won gold prizes in two international competitions.

According to a company manager, the Sino-French Joint Wine Co. Ltd had already recouped all its investment by 1985, including 200,000 U.S. Dollars from the Remy Martin group, which decided to invest in it ten years ago.

The company's success has made the Remy Martin group extend its co-operation term with Tianjin to 21 years from the previous 11 years and reinvest its profits of three million yuan (about 810,000 U.S. dollars), the manager said.

Now, 170 joint-venture, co-operative and wholly foreign-funded enterprises have been set up and gone into operation in Tianjin.

According to statistics from the Tianjin Municipal Committee of Foreign Economic Relations and Trade, since 1979 the city government has approved 365 contracts on



joint-venture, co-operative and wholly foreign-funded enterprises with business people from over 20 countries and regions, including Japan, the United States, Britain and France, involving 820 million U.S. dollars.

At the beginning of August, Mohammad Malekpour, president of the MGM Commercial Company of the United States, signed a contract to lease a 5.3 km plot of land in the Tianjin economic and technological development area (TEDA) for 70 years.

The TEDA spokesman said that this is China's biggest land-use right transfer since 1979, when the country adopted the policy of opening to the outside world.

The leased land is expected to accommodate more than 200 joint ventures and wholly foreign-owned firms, and to absorb an estimated investment of two billion U.S. dollars for industrial projects with a total annual output value of 10 billion yuan (about 2.7 billion U.S. dollars).

As a first step, the company will invest 300 million U.S. dollars to build a 52-story twin-tower world trade center in the area.

In Tianjin, the direction of investment is more and more toward high-technology projects. In the past year alone, the city government signed 10 such contracts, each involving at least five million U.S. dollars. The largest one involved 30 million U.S. dollars.

Meanwhile, some 70 percent of the 170 foreign-funded enterprises are profitable. Over 20 foreign-funded enterprises have recouped all their capital outlay and 20 enterprises have decided to reinvest and to extend their periods of operation.

In 1985 Tianjin set up an economic and technological development center covering 3.3 sq km. Since then, the city has spent 340 million yuan (about 91.6 million U.S. dollars) on the construction of the center's infrastructure and in building a workshop covering 400,000 sq m.

In order to protect foreign traders' legitimate rights and interests, the city's government has issued 60 laws and regulations and set up law and notary offices.

By the end of June, the city had signed 138 contracts with foreign investors, involving 220 million U.S. dollars, and these foreign-funded enterprises spanned the electronics, medicine, container, building material, leather and textile industries.

In the first six months of this year the city government approved 41 contracts, 12 more than in the same period of last year, and the figure involved 180 million U.S. dollars, a 93.1 percent increase over the same period of last year.

After the quelling of the anti-government rioting in Beijing in June, the city kept receiving investors from the United States, Britain and Hong Kong. One company

from the United States invested over 100 billion [as received] U.S. dollars in a project for producing semiconductor appliances.

Owing to the great efforts of the city's government, basic infrastructure has been improved such as communications, telecommunications and power.

In recent years, the city's government has invested more than one billion yuan in expanding the Tianjin harbor, improved railway transportation and city's traffic, and built hotels.

In addition, the city authorities have also paid attention to the improvement of safety conditions. They have set up foreign investment service centers which can give briefs to foreign investors on Tianjin investment conditions, co-operative items and policy, and can also help foreign investors seek partners and solve problems.

For example, the Sino-Japanese joint venture China Otsuka Pharmaceutical Industrial Company found its products overstocked and the enterprise nearly stopped production at one point. With the help of the city authorities, the enterprise's products have found a good market and the two sides reinvested their profits in further construction.

Zhang Zhiyong, director of the committee of foreign economic relations and trade, told XINHUA that Tianjin will continuously improve its investment conditions and adopt vigorous measures to solve problems which still crop up in foreign-funded enterprises.

### **XINHUA Praises Li Ruihuan's Tianjin Tenure**

OW0709143289 Beijing XINHUA in English  
0941 GMT 7 Sep 89

[Text] Tianjin, September 7 (XINHUA)—Eight years ago, when Tianjin's new Mayor Li Ruihuan announced his plan to remove all temporary shelters and change the city's dirty and chaotic appearance in a few months, he was laughed at and no one believed him.

However, a recent public opinion poll shows that almost all Tianjin citizens are satisfied with the government that has kept its promise and turned the city into a clean, beautiful and modern one.

A government official said, "The trust of the people in the leadership derives from wholeheartedly helping people solve their problems and improve their lives."

Until 1981, about 100,000 Tianjin citizens still lived in the small damp shelters built after the disastrous earthquake in neighboring Tangshan City in 1976. Streets were piled with rubbish, traffic was jammed and the drinking water was salty and bitter. People were in low spirits.

To enlist popular support, the Tianjin municipal government and party committee speeded up housing construction while checking unfair housing distribution.

According to a government decision, if people were found to still live in temporary shelters by the end of 1981, their working unit leaders had to vacate their own rooms to put up these people. Any cadres who did not show concern for the people would be dealt with sternly.

As a result, new residential quarters with a total floor space of 2.56 million sq m were built that year and all residents in shelters moved into new buildings in time.

While continuing to erect more residential buildings, the municipal government improved municipal works and diverted fresh water from the Luanhe River to replace the salty water.

According to Li Ruihuan, the municipal government's aim is to serve the people.

Although the state has retrenched its economy in recent years, the municipal government, as always, accomplishes 20 major tasks for the sake and interests of the people every year.

For example, the government has exerted its efforts to stabilize prices to keep its price hikes lower than those of other major cities, adopted a series of measures to keep social order, and expanded transport facilities to solve traffic jams.

To collect opinions from and exchange views with the people, the government officials hold regular talks with people on television, and release the mayor's telephone number to welcome people to air their opinions.

Bai Fangli, a grizzled self-employed trishaw man, recently sent the municipal government 1,000 yuan (about 270 U.S. dollars) to express his gratitude and appreciation for the government's efforts in wholeheartedly serving the people.

Bai said with feeling: "The municipal government has done a great deal for the people. Even visitors from outside Tianjin have commended Tianjin on its changes. When I hear my customers saying this, I feel it is heartwarming."

After the government declined to accept his money, the old man donated it to Tianjin's railway bureau and contributed another 6,000 yuan to the city's education board.

### Northeast Region

#### Heilongjiang Finds Grain Purchase Difficult

SK1209072389 Harbin HEILONGJIANG RIBAO  
in Chinese 15 Aug 89 p 1

[Excerpts] The provincial People's Government sponsored a meeting on grain work on 14 August at which Vice Governor Du Xianzhong delivered a speech. He urged in his speech that it is imperative to deal successfully with the relationship among the interests of the state, local departments, and peasants; to proceed from

the guideline of dealing well with the financial problems at all levels and do a good job with arrangements for grain markets; to adhere to the principle of attaching equal importance to grain purchases and cash management; to pay equal attention to economic results and social benefits; to enhance the grain management and improve the grain business so as to fulfill the comprehensive target of realizing an increase in the peasants' income, balancing the revenue, and expense in grain work; and to relieving gradually the financial pressure in this regard.

In his speech, Du Xianzhong stated that difficulties encountered by the province in its grain work are very large, and that contradictions which have cropped up in grain work are many. These difficulties are chiefly that the gap between revenue and expense in grain work have become increasingly large, that the hard-won balance between financial revenue and expense has increasingly added to the subsidies of grain purchases, and that grain enterprises have gone heavily into debt. The reasons these problems exist are mainly that the system and policy of grain work are not perfect; that the reform of the grain-purchase system has not been carried out in a coordinated manner; that the unified purchase system has been disbanded, but the unified sale system has not been totally eliminated; and that the discordant reform of price systems and the long-standing retail prices which are lower than those of the state grain purchase have brought about an increase in losses. To overcome the difficulties in the province's grain work, we must clearly understand the situation, have accurate guiding ideology, and adopt the measures of comprehensive consolidation. To this end, he emphatically put forward the following three tasks:

1. Efforts should be made to implement the principle of improving the economic environment and rectifying the economic order; to deepen the reform in the systems of grain purchase and sales; and to enforce responsibility systems among grain purchases, sales, and allocations, as well as in the financial affairs of grain work, so as to enable governments at all levels to carry out both cash and grain management and to unify their duties, rights, and interests. [passage omitted]

2. A good job should be done this year in procuring grains in a down-to-earth manner to lay a foundation for grain work as a whole. [passage omitted]

3. A good job should be done in carefully making arrangements for the markets of grains, edible oil, and salt, as well as in further implementing the "383 project". Tasks for making arrangements for markets in the second half of this year are quite heavy. Governments at all levels should give priority to making arrangements for the funds and transportation force to transfer grains, and for the power supply to process grains to ensure that demands are satisfied. Efforts should be made to reserve actively grains at negotiated prices; to sell grains at negotiated prices; and to implement the principle of paying primary attention to local

markets and secondary attention to the markets of products for exports, and of making unified planning for both social benefits and economic results. Salt is as important as grain, and governments at all levels should make all-out efforts to purchase salt so as to reinforce their salt stock as soon as possible.

### Northwest Region

#### Qinghai Meeting Views Propaganda, Ideology Tasks

HK1009015789 Xining Qinghai Provincial Service  
in Mandarin 2230 GMT 9 Sep 89

[Excerpts] The provincial propaganda and ideological work conference which concluded on 9 September decided that at present and for a time to come, propaganda and ideological work in the province must be closely centered on the four main tasks proposed by the fourth plenary session. It is necessary to thoroughly publicize and implement the spirit of the fourth plenary session and of the third enlarged plenary session of the seventh provincial party committee, conduct education in adhering to the four cardinal principles and opposing bourgeois liberalization, actively promote various propaganda and ideological work items, and truly ensure that socialist ideology occupies the ideological position. [passage omitted]

The meeting stressed that in order to bring the thinking of the party members, cadres, and masses into line with the spirit of the fourth plenary session, it is essential to do a great deal of arduous and meticulous ideological education. The party organizations and propaganda departments at all levels must further arrange their plans and effectively grasp study thoroughly and well. It is also necessary to do a good job in investigation and cleaning up; straighten out the position of propaganda, public opinion, and the cultural market; vigorously step up research, propaganda, and education in Marxist theory; and step up and improve grass-roots ideological and political work. [passage omitted]

During the meeting Yin Kesheng, (Jin Jipeng), and Sang Jiejia, leaders of the provincial party committee and government, made important speeches. [passage omitted]

#### Xinjiang Meeting on Economic Tasks Held

HK0709030389 Urumqi Xinjiang Regional Service  
in Mandarin 0000 GMT 7 Sep 89

[Excerpts] The regional government yesterday held its ninth plenary meeting and a telephone conference of autonomous prefectural governors and prefectural commissioners to make arrangements for work in the remaining months of the year [words indistinct]. [passage omitted]

The meeting held that the main tasks for the last 4 months of the year are to maintain basic price stability; to further promote agriculture animal husbandry and

strive for a 12th successive year of bumper harvest; to reduce product stockpiles and strive to fulfill the industrial production tasks; to continue to reduce construction investment, and ensure the construction of key projects and projects going into production; to launch in depth the double increase and double economy drive, and do everything possible to overcome the shortage of capital; to strive for even greater progress in foreign trade; and to make good arrangements for economic work in the first quarter of next year. [passage omitted]

The meeting emphasized that it is essential to truly bring understanding into line with the focal task of improvement and rectification. Improvement and rectification work is bound to touch on the interests of certain areas and departments. It is essential to take the overall situation into account and make mental preparations for tightening belts and sacrificing certain partial interests.

#### Xinjiang Meeting Addresses Structural Reform

HK1109013189 Urumqi Xinjiang Regional Service  
in Mandarin 1130 GMT 10 Sep 89

[Text] A regional meeting of prefectural and city structural reform office directors concluded on 7 September. The main topics of the meeting consisted of earnestly and seriously implementing the spirit of the fourth plenary session, stabilizing the reform policies, and perfecting the reform measures. Song Hanliang, Zhang Sixue, and (Jin Renhui) attended the meeting and made important speeches on some issues in structural reform. The meeting gave explicit answers to 10 questions in current structural reform:

1. Continue to implement the Enterprise Law and stabilize this law and the enterprise setup laid down by its provisions. This is beneficial for invigorating the enterprises, especially the large and medium-sized enterprises under whole-people ownership. We must continue to implement the enterprise decisionmaking powers. The powers already delegated to the enterprises must not be withdrawn.
2. Continue to implement the plant manager and director responsibility system.
3. Give scope to the political core role of the enterprise party organizations, and step up ideological and political work.
4. Continue to perfect and develop the enterprise contracting system. The focal points here are to prevent and eliminate short-term behavior on the part of the contractors, establish a constraining mechanism in the enterprises, and resolve the problem of unfair distribution in the enterprises.
5. Continue to link an enterprise's total wage bill to its economic returns.
6. Continue to introduce the competitive mechanism and practice contract tendering. If through competition

in contractors and contracting schemes the original contractors seriously carry out the contracts and fulfill the set targets and tasks, they can continue to act as contractors or sign contracts for a second term.

7. Continue to persevere in and deepen internal reforms in the enterprises. We should continue to promote and perfect effective reform measures, such as the selection of cadres through competition and the practice of risk collateral.

8. Continue to promote lateral economic ties and consolidate and develop enterprise consortia. Ties and

mergers between enterprises should promote the readjustment of industrial and product structures and enterprise structures. The pilot projects in the housing system in five counties and cities should continue to be developed effectively.

9. Persevere in the guideline of developing a variety of economic components with public ownership as the mainstay.

10. Under the premise of continuing to straighten out the circulation field, practicing monopoly handling of important commodities and agricultural materials, and further screening and rectifying companies, we should persevere in reforming the circulation field by promoting a variety of management methods, channels, components, and links.



**Taiwan Olympic Official To Attend Beijing Games**

HK1309094489 Hong Kong ZHONGGUO TONGXUN  
SHE in Chinese 0639 GMT 7 Sep 89

[Report: "Chang Feng-hsu, Li Ch'ing-hua Indicate Their Intention To Attend Next Year's Asian Games in Beijing"]

[Text] Hong Kong, 7 Sep (ZTS)—News from Taipei: Chang Feng-hsu, chairman of the Taipei Olympic Committee, has indicated that he will personally attend the opening ceremony of the 1990 Asian Games in Beijing on 22 September next year. Li Ch'ing-hua, secretary general of the Taipei Olympic Committee, also affirmed his intention to take part in the event.

It was learned that the mainland's Olympic Committee will be issuing invitations to Olympic Committee chairmen, secretaries-general, and representatives of 38 Asian countries and regions to attend the opening ceremony of the Beijing Asian Games next year, and to take part in the Olympic Council of Asia general conference to be held in Beijing during the same period.

Chang Feng-hsu presently serves as a member of Taiwan's Executive Yuan, but it is not certain whether he will still hold the same post in September next year. However, Chang, citing the example set by the Asian Development Bank [ADB] annual meeting, said that whatever his official position in Taiwan may be, as long as he is chairman of the Taipei Olympic Committee, then he has the obligation to head a delegation to the Asian Games in Beijing next year. Chang also emphasized that as Taiwan's Finance Minister Kuo Wan-jung, in her capacity as a member of the ADB board of directors, had led a delegation to the ADB annual meeting in Beijing, so he, in his capacity as chairman of the Taipei Olympic Committee, has both the obligation and right to attend the conference and games sponsored by an international organization in Beijing.

On the other hand, Li Ch'ing-hua, secretary general of the Taipei Olympic Committee, also affirmed that as long as he remains in his present post in September next year, then he will definitely go to Beijing for the Asian

Games. As to whether he will inspect the Asian Games facilities in Beijing before 1990, that will have to depend on the circumstances.

**Taiwan Reporters To Cover Basketball Tourney**

HK1309091489 Hong Kong ZHONGGUO TONGXUN  
SHE in Chinese 0630 GMT 8 Sep 89

[Report: "Beijing Approves Coverage of Asian Basketball Championships by 21 Taiwan reporters"—ZHONGGUO TONGXUN SHE Headline]

[Text] Hong Kong, 8 Sep (ZTS)—News from Taiwan: 21 reporters from 10 news organizations in Taiwan have received approval to cover the 15th Asian Cup men's basketball championships due to open in Beijing on 15 September, from the concerned department in Beijing. This is the first time since the Beijing incident that such a large number of Taiwan reporters have been permitted to visit Beijing simultaneously.

It was learned that the approval by the concerned Beijing department was formally conveyed through facsimile message to the Taiwan Basketball Association by Huang Wenfang, deputy secretary general of the Hong Kong branch of the NEW CHINA NEWS AGENCY yesterday (7 September).

The Taiwan press units given permission to go to Beijing are: Taiwan Television Corporation, China Television Corporation, Chung Hua Television Corporation, Broadcasting Corporation of China, UNITED DAILY NEWS, MIN SHENG PAO, CHINA TIMES, INDEPENDENT MORNING POST, BASKETBALL JOURNAL, and TAIWAN TIMES.

According to regulations, the Taiwan reporters who applied to go to Beijing this time are restricted to covering the 15th Asian Cup men's basketball championships and other related activities organized by the State Physical Culture and Sports Commission.

It was also learned that the men's basketball team from Taiwan will arrive in Beijing on 13 September to take part in the tournament.

### Envoy Appeals to U.S. for Increased Recognition

OW1409062989 Taipei CNA in English  
1433 GMT 13 Sep 89

[Text] Washington, Sept. 12 (CNA)—The Republic of China's [ROC] representative to the United States, Ding Mou-shi, Tuesday called upon the U.S. to recognize the ROC's economic strength and willingness to "shoulder increased responsibilities in the international economic system."

He also strongly but indirectly expressed the ROC's interests in joining in multilateral organizations in the Pacific region and the world, saying: "We have the financial resources to help promote regional cooperation through participation in multilateral, international organizations, if given the chance to do so."

Ding made the statement at a time when the Pacific rim nations are moving towards forming a regional economic cooperation mechanism, and when the ROC is seeking eagerly to become a member of international economic organizations, such as the General Agreement on Tariffs and Trade (GATT) and the Organization for Economic Cooperation and Development (OECD).

In a speech before a dinner party hosted by the U.S. Global Strategy Council in his honor, Ding cited playing a constructive role on the world stage as one of the major goals for the ROC in the next decade. The ROC "is ready, able, and willing" to achieve that goal, he stressed.

Noting the establishment of the \$1 billion "International Economic Cooperation Development Fund" by the ROC Government, Ding told over one hundred American friends present at the party that "we are willing to provide substantial financial assistance to developing countries."

"Our economic status in the Pacific region must be taken into account," Ding pointed out, urging the U.S., as well as other countries in the region, to pay attention to the strong economic power the ROC possesses.

"We are willing to shoulder increased responsibilities in the international economic system," he added.

As for the ROC's policy towards Mainland China, Ding said in the short term, the ROC will promote the "Taiwan experience," while the long-term goal is to achieve a free, democratic, prosperous, and unified China.

Reacting to the June 4th Tiananmen Square massacre by the Communist Chinese regime, Ding pointed out that "we were shocked at the cruel, brutal methods the Chinese Communists used, because there definitely were other means to deal with the students and ordinary citizens peacefully demonstrating for freedom, democracy, and human rights."

The extreme measures taken by the Chinese Communists deeply "saddened us," but did not "surprise us,"

Ding said, because "we have close to 70 years of experience in dealing with the Chinese Communists."

The events of June 4th do not change, but instead strengthen the ROC's resolve to spread the story of the "Taiwan experience" to the mainland, he said, stressing that "we must serve as a beacon of freedom and democracy to our mainland compatriots."

When asked to comment on U.S. assistance to the Mainland Chinese in the U.S. after the Tiananmen Square massacre, Ding replied that the ROC is grateful to the U.S. help, such as one-year deferral departure of all Mainland Chinese in the U.S. He expressed the hope that the U.S. would continue to offer its assistance to them.

### Further on Mainland Pilot's Defection

#### Leaders Comment

OW0709021289 Taipei CNA in English  
1525 GMT 6 Sep 89

[Text] Taipei, Sept. 6 (CNA)—People around the Republic of China on Taiwan were delighted to learn that one more Chinese Communist pilot had flown to freedom in free China Wednesday.

Premier Li Huan said the Chinese Communist regime can control the pilots' fuel, but it cannot control their minds. Commenting on Pilot Chiang Wen-hao (Diang Twen-hao)'s noon flight to freedom on Kinmen Island off the Fukien Province coast, Li said it was not a coincidence that the young pilot had risked his life in pursuit of freedom.

"The latest defection has sped up the fall of the Chinese Communist regime," said the premier.

Chiang, 24, a Chinese Communist Air Force lieutenant, flew a MiG-19 fighter to Kinmen, the ROC's front-line opposite the mainland, from Lunghsi Airport in Fukien.

Defense Minister Cheng Wei-yuan said Chiang, now under protection in Kinmen, would soon meet with the press in Taipei.

Government Information Office Director General Shaw Yu-ming observed that "the will to freedom cannot be stamped."

Chiang's defection showed that after the June Tiananmen slaughter, not only intellectuals but soldiers too had turned against the Communist regime, the government spokesman said.

Legislator Chang Shih-liang said if Peking did not adopt more free and democratic policies to meet people's demands, more and more defections were bound to happen.

James Soong, secretary general of the governing Kuomintang's Central Committee, said Chiang's freedom flight was indeed a case for joy but "our responsibilities are also increased."

"This reminds us that we should help the mainland people launch a fundamental reform from within the mainland so that the mainland people can one day enjoy greater freedom and democracy," Soong said.

Vice Premier Shih Chi-yang said that the tyrannical Peking regime was doomed to failure and abhorred by people on the Chinese Mainland. Shih also said that "We should continue publicizing the Taiwan experience on the mainland."

Wang Chou-ming, secretary general of the Executive Yuan, said that the freedom flight showed that the Chinese Communist military servicemen were fed up with the Peking regime.

Ma Ying-jeou, executive secretary of the ROC Mainland Affairs Committee under the Executive Yuan, said that he was excited by the news.

Ma said the Chinese Communist Air Force pilot would be awarded 2000 taels of gold for the freedom flight which not only had political significance, but was also a substantial encouragement to freedom seekers.

However, in Kaohsiung, southern Taiwan, a city councilman, Wang Hsiu-shen, did not agree.

Wang, a former Navy rear admiral, said the mainland pilot, who had defected here came not for money but for freedom. "We should abolish cash-prizes and instead nurture anti-Communist fighters in other ways."

In Taichung, central Taiwan, provincial assemblyman Li Ming-tung told CNA, "Our mainland compatriots have known more about the affluence and prosperity of Taiwan since the Government permitted family visits to the mainland."

"Now the Government should consider opening the door wider, to include tourism visits, for example, so that even more mainland compatriots will have a chance to learn of the [word indistinct] and to try to flee the mainland," Li suggested.

#### Radio Commentary

*OW1009052389 Taipei International Service  
in English 0200 GMT 8 Sep 89*

[Station commentary: Another Mainland Chinese Pilot-Defector]

[Text] The mid-afternoon calm on the garden-spot island of Kinmen was broken suddenly on Wednesday by the roar of a MiG-19 fighter plane from Communist China. It was not an attack, but another defection by a Chinese communist pilot. Lieutenant Chiang Wen-hao became the first pilot to defect to the offshore island of Kinmen, which is controlled by the Armed Forces of the Republic

of China on Taiwan. He is the 14th Chinese communist Air Force and Navy pilot to defect to the Taiwan side since 1960.

Kinmen, or Quemoy as it was known in 1950's, is merely a rifle shot away from the communist-controlled mainland. Chiang was stationed at the Lung-chi military air base in southern Fukien Province, located across the Taiwan Strait from Taiwan. He is the first pilot to defect since the Tienanmen massacre of 4 June.

The Kinmen Defense Command said that Chiang will be flown to Taiwan soon, where he will be granted asylum. He will also be awarded with nearly 2,000 taels of gold, the equivalent of some \$900,000. The gold reward is offered to Chinese Communist pilots who fly MiG jets to this side. Premier Li Huan greeted Chiang's defection with praise for his bravery, and said the defection is no coincidence, given that many people in the communist armed forces have grown disgruntled since the Tienanmen massacre.

In the 1960's and 1970's, and even into the early 1980's, mainland pilot-defectors were greeted as heroes of Taiwan's anti-communist crusade. Nowadays, however, the defections are tempered by a measure of apathy, brought about partly by the almost commonplace nature of communist defections. Moreover, in the past 2 years, reduced tension in the Taiwan Strait and Taiwan's effective campaign to influence the mainland through people-to-people exchanges have created in some people's minds an atmosphere in which pilot-defectors are viewed as potentially destabilizing elements, rather than heroes.

A ruling party legislator, Huang Chu-wen, who had called for the abolition of gold reward last year, again raised his voice in opposition to the practice, saying it offers the wrong incentives to Chinese Communist pilots and contributes to tensions between Taipei and Peking.

The Government of the Republic of China on Taiwan does not share that view, however. As Ma Ying-chiu, a member of a cabinet-level task force on mainland affairs, put it, the gold rewards make it necessary for the Chinese communist Air Force to keep its fleet non-combat ready. Planes on the ground have low fuel amounts to discourage defection and are usually unarmed. This way, Ma correctly asserts, Taiwan defenses will have more time to prepare once intelligence shows the Chinese Communists are preparing their fighter-bombers for longer range missions.

The government also considers a defection in a fighter jet an act of courage to be amply rewarded. After all, Wu Cheng-kang, a pilot who defected in 1982, once said: You are not thinking about gold when you are flying mach 2 10 meters above the sea to escape. You are only hoping to survive.

Lieutenant Chiang's flight lasted only a couple of minutes, but was fraught with those dangers as he flew low to

avoid detection. Naturally had he been chased and caught, he would have been shot down.

Lieutenant Chiang will arrive in Taipei soon to tell his own reasons for defecting. In the old days, we might have presumed that he did it for the cause of freedom alone. But times change, and Chiang will be a free man when he meets the press. Political or ideological purists are sure to say that Chiang's motives had nothing to do with opposition to communism, but that he just wanted to enjoy the better life style offered by Taiwan. Well, what's wrong with that? Any man has the right to risk his life for freedom. And an air force pilot has the right to receive his due reward for an act of bravery. In any case, a MiG-19 is certainly worth more than \$1 million.

#### **Premier Urges Halt to Illegal Produce Imports**

*OW1009110389 Taipei International Service  
in English 0200 GMT 8 Sep 89*

[Text] Premier Li Huan stated on Thursday [7 September] that he is very concerned about the smuggling of mainland agricultural goods to Taiwan and said that it must stop.

During the cabinet weekly meeting, the premier instructed concerned authorities to focus more attention on illegal imports of mainland agricultural items and meats which Li said not only present a potential health problem to residents on Taiwan, but also undercut the competitiveness of locally produced agricultural products.

Li said that he hopes authorities will abolish the illegal imports and that the national defense and finance ministries will work together with law enforcement officials to solve the problem.

#### **10 Mainlanders Enter Illegally**

*OW1009100389 Taipei International Service in English  
0200 GMT 5 Sep 89*

[Text] The Criminal Investigation Division of Kaohsiung County on Monday [4 September] found some 10 mainlanders who had entered the country

illegally. Police said that suspects included members of two families. The suspects were exposed on Sunday when they were going to visit relatives in Fengshan, a suburb of Kaohsiung City.

According to one of the mainlanders, altogether there were 23 mainlanders who came from Weilai County of Canton Province [as heard] on the mainland. They entered into Taiwan from Tainan in southwestern Taiwan after wandering for 10 days in the Taiwan Straits. They said they decided to come to Taiwan because they were not satisfied with life on the mainland.

While the police are investigating the whereabouts of the other 13 mainlanders, the mayor of Fengshan presented 3,000 NT dollars of relief funds to tide the mainlanders over until a solution is found on how to deal with them.

#### **Trade With Poland Continues Growth**

*OW1009100089 Taipei International Service  
in English 0200 GMT 5 Sep 89*

[Text] A ranking official with the China External Trade Development Council responsible for development of new markets stated on Monday [4 September] that Poland is the ROC's second largest East European trading partner. In addition, as Poland now has its first non-communist prime minister, it is expected that ROC-Poland trade will develop quickly in the future.

(Li Chi-cheng) noted that of all the East European nation's reforms in Poland are being implemented the fastest and, in comparison to other communist nations, Poland has a greater amount of private enterprises already in existence.

(Li) said that Poland is changing from a nationally planned economy to a market-oriented one and that there is great potential for ROC-Poland trade to expand rapidly in the future.



## Hong Kong

### Delegation Meets Vice Premier Yao Yilin 13 Sep

OW1309170989 Beijing Domestic Service in Mandarin  
0930 GMT 13 Sep 89

[From the "National Hookup" program]

[Text] Yao Yilin, member of the Standing Committee of the Political Bureau of the CPC Central Committee and vice premier of the State Council, met with a delegation of Heung Yee Kuk of the New Territory of Hong Kong, led by its chairman Mr Lau Wong Fat, in the Great Hall of the People this afternoon. Heung Yee Kuk of the New Territory, founded in 1926, is the earliest statutory advisory body for New Territory affairs of the Hong Kong Government. The delegation is composed of 19 members.

Vice Premier Yao Yilin first asked the Hong Kong guests to express their opinions freely. Mr Lau Wong Fat and several executive members of Heung Yee Kuk presented their views.

Lau Wong Fat said: Hong Kong can be stable only when China enjoys stability. Heung Yee Kuk supports the Chinese Government's policy of reform and opening to the outside world. Heung Yee Kuk has a slogan—staying in Hong Kong to build and prosper Hong Kong. Hong Kong's prosperity and stability are dependent on its own efforts.

Vice Premier Yao Yilin agreed with Lau Wong Fat and said: Things will be easy to do if everyone assumes such an attitude.

On the recent political disturbance in Beijing, Yao Yilin said: It will take some time before people know about the truth because of pressure from the international community and rumors spread by some news media.

He pointed out: We hope that people throughout China and the whole world are united. However, if the reactionary forces at home and abroad continue to create disturbance, we are fully prepared for it. We will not abandon principles.

Yao Yilin briefed the Hong Kong guests on China's economic situation. He said: Our present economic situation is quite good. We have made achievements in improving the economic environment and rectifying economic order. The market situation is also quite good and the people are leading a stable life.

He pointed out that it will take 2 to 3 years to overcome inflation.

The delegation of Heung Yee Kuk of the New Territory of Hong Kong arrived in Beijing on 10 September on a visit at the invitation of the Hong Kong and Macao Affairs Office under the State Council. Ji Pengfei, director of the office, and Wang Hanbin, vice chairman

of the National People's Congress Standing Committee, also met with the delegation in Beijing on separate occasions.

### Political Adviser Meets Guangdong Vice Governor

OW1209185289 Beijing XINHUA in English  
1123 GMT 12 Sep 89

[Text] Guangzhou, September 12 (XINHUA)—Kuang Ji, vice-governor of Guangdong Province met William Ehrman, newly-appointed political adviser of the Hong Kong Government, and his party here this morning.

The guests arrived here on Monday and have visited the Guangzhou Economic and Technological Development Zone and Shenzhen Special Economic Zone.

### PRC Law Drafters Praise Legislature Concept

HK1209025989 Hong Kong SOUTH CHINA  
MORNING POST in English 12 Sep 89 p 1

[By Kent Chen in Macao]

[Text] Chinese officials broke their silence on the controversial proposal for a bicameral legislature for post-1997 Hong Kong yesterday when a mainland Basic Law drafter hailed the idea as a "good model".

Mr Xu Chongde, a Law Faculty professor at the People's University in Beijing, said the two-chamber package forwarded by the New Hong Kong Alliance was in line with the political tradition of Western democracies.

Another mainland drafter, Mr Xiao Weiyun, said the Alliance package would be discussed at the next meetings of the five Basic Law Drafting Committee sub-groups in Guangzhou in December.

Chinese Basic Law drafters had until yesterday refrained from making public comments on the Alliance model, which was unveiled by former Executive and Legislative Councillor Mr Lo Tak-shing two weeks ago.

Mr Xu, who sits on both the Hong Kong and Macao Basic Law drafting committees, is a member of an official four-man Chinese delegation on an opinion-gathering mission in Macao.

He denied public criticism that a bicameral legislature was a novel idea to Hong Kong.

"Hong Kong has been following British tradition for more than a century, and Britain is one of the most successful examples in the world which practises a two-chamber system," he said.

Mr Xu said the Alliance proposal for a functional and a district chamber could ensure that various sectors of community will have an opportunity to take part in politics and the legislative process.

"The interests of different social classes will be adequately represented in this kind of legislature."

The Alliance blueprint calls for half of the legislators for the future Hong Kong Special Administrative Region rule to be returned through indirect elections into the Functional Chamber.

The other half will be returned by district-related elections into the District Chamber.

Unlike the British House of Commons, which is entirely popularly elected, only half of the seats in the District Chamber will be on offer for direct elections.

The Functional Chamber is also different from the House of Lords in that it will be given the same powers as the first chamber. It will be empowered to veto decisions by its district counterpart.

But Mr Xu remains optimistic that the bicameral model will not lead to political deadlocks.

"Once the principle is agreed upon, the technicality involving the functioning of the two chambers could be resolved in one way or another," he said.

Mr Xu noted that bicameral legislatures are widely adopted throughout the world, including cases where one chamber enjoys a higher status and others where both chambers are vested with the same powers.

"Whichever system Hong Kong adopts, various ways of resolving possible conflicts between the two chambers can be drawn from the experience in other countries," he said.

Meanwhile, the head of the Chinese delegation in Macao, Mr Lu Ping, yesterday said that the Hong Kong and Macao press could continue criticising the Communist Chinese Government.

"Everything can be published," he said, despite several Hong Kong newspapers being blacklisted by Beijing for their coverage of the student-led pro-democracy movement in China.

"You can say anything you like and we can say whatever we want. All of us enjoy freedom of speech," said Mr Lu, deputy director of the State Council's Hong Kong and Macao Affairs Office and deputy secretary-general of the Hong Kong Basic Law Drafting Committee.

Mr Lu quoted paramount Chinese leader Deng Xiaoping as saying that the Chinese communists could stand up to all kinds of criticism.

But he warned Hong Kong and Macao people not to take part in activities aimed at subverting the Chinese Government.

### PRC Cancels Residence 'Insurance'

HK1209042389 Hong Kong HONGKONG STANDARD in English 12 Sep 89 p 6

[By Tammy Tam]

[Excerpt] Chinese residents who were born in Hong Kong or lived here for at least seven years face tougher restrictions if they hope to return to the territory.

Under new regulations issued by Chinese security authorities, mainland residents must give up their official residency in China if they accept an entry permit from the Hong Kong Immigration Department.

A China Travel Service official in Hong Kong said yesterday that new instructions on the permits were issued following the June 4 massacre. "Regulations are getting stricter and stricter," she said.

According to Hong Kong immigration laws, people who were born in Hong Kong or lived here for seven years are entitled to the right of abode even if they have not lived in the territory for years.

Thousands of Hong Kong people left the territory in the 1950s and 1960s to help in the construction Mao Zedong's "new China."

Many have since become deeply disillusioned with the continuous political upheaval on the mainland, however, and sought to return to Hong Kong. But, accustomed to the slow pace of life in China, they often find it difficult to readjust to the high-competitive atmosphere in the territory.

By reclaiming their right of abode in Hong Kong while also holding onto their official residency on the mainland, they are able to protect their job in China while keeping their Hong Kong residency as an insurance policy.

To close this loophole, Beijing is introducing new restrictions on residents who apply to enter China from Hong Kong.

Beijing does not consider Hong Kong's Chinese residents as foreigners, and does not require special visas. To visit the mainland they need only secure a Home Visit Permit from the local office of China Travel Service.

The permits are granted to holders of a Hong Kong identity card and a re-entry permit issued by the Hong Kong Immigration Department.

Under the new rules, applicants holding identity cards indicating they arrived only recently in Hong Kong will be required to prove they left China with official approval.

Permits will not be issued to Chinese residents without the official Single-Exit Permit issued by Chinese security authorities to those leaving the country.

The China Travel Service official said the change was meant to stop Chinese residents regaining Hong Kong right of abode without Beijing's knowledge.

"Quite a number of Hong Kong-born people living on the mainland join tourist groups visiting relatives in Hong Kong and get back their right of abode in Hong Kong during their short stay here."

Afterwards, she said, they apply for a Home Visit Permit and return to China.

"Mainland officials know nothing about their change of identity since they don't have to stay in Hong Kong for one year before they can go back to China like other new immigrants to Hong Kong," said the official.

The change will also prevent people from jumping the queue under which 75 people a day are allowed to legally emigrate to the territory under a quota agreed by the Chinese and Hong Kong government. [passage omitted on new topic]

#### **Population Growth Reflects Refugee Influx**

*HK1209040789 Hong Kong SOUTH CHINA MORNING POST in English 12 Sep 89 p 3*

[By Jacqueline Lee]

[Text] The vast influx of Vietnamese boat people this summer contributed to more than a quarter of Hong Kong's population boom in the first half of this year, according to Government statistics released yesterday.

The Census and Statistics Department said the population in Hong Kong increased by 25,400, or 0.4 percent, over the six months to 5,761,400 at the end of June.

About 18,300, or 72 percent, of the additions arose from natural increases, that is the surplus of births over deaths.

The remaining 7,100, or 28 percent, represented a net inflow of people into the territory after balancing the total arrivals and departures.

Senior statistician at the department's Census and Demographic Statistics Branch, Mr Frank Yu Punki, said that without the additions of boat people, Hong Kong would have recorded a net outflow of 13,400 people during the period.

The influx of Vietnamese boat people this year, which started in early summer, has swelled their ranks by 20,500 between January and June.

This is despite the departure of nearly 2,000, largely for resettlement overseas. A total of 142 were repatriated voluntarily in two batches during the period, followed by a third batch of 121 last month.

Mr Yu said the population count covered all people in the territory irrespective of their status.

"The net movement of people fluctuates and Hong Kong has experienced both increases and losses before," he said.

The local population is always increasing, although at a generally declining rate mainly due to a dwindling birth rate.

Between January and June, 14,800 people died in Hong Kong while 33,100 births were registered.

#### **Soviets Join Ship-Trading Venture**

*HK1209031189 Hong Kong SOUTH CHINA MORNING POST (BUSINESS POST) in English 12 Sep 89 p 1*

[By Giselle Militante]

[Text] The Novelact group has teamed up with a Soviet shipping company under the Soviet Ministry of Merchant Marine to form a joint-venture shipowning and ship-trading business in Hong Kong.

Shipping sources said this was the first time the Soviet Union was involved in a joint-venture shipowning deal in Asia.

Novmarine, the resulting joint-venture group, will be engaged in the purchase of multipurpose vessels and the building of ocean-going cargo ships for trading worldwide.

Bingley Group of Hong Kong will act as manager for the new company and is currently negotiating to buy four multipurpose vessels for the group for U.S.\$20 million.

Further acquisitions of second-hand vessels are expected and financing will be mainly from Hong Kong investors.

"We see a further improvement in the freight market. If we don't buy quickly, prices could pick up again," said Peter Stevens managing director of Beingley.

"The new company will be a holding company that will buy and trade and possibly sell, when the right opportunity comes."

"It's still a good time to invest in ships, but we are having difficulty buying (second-hand ships). Unless the price is above the market rate, most people are not interested in selling."

He also said the ships for the group would be traded on the spot market. "We don't want the vessels to be locked in. If you lock in one to two-year charters and the rates go up, you're missing out. We'd like to be able to take advantage of the market."

The company, however, will not immediately engage in shipbuilding as a feasibility study is still being conducted.

Mr Stevens noted that Novmarine was the only company in Hong Kong specialising in multipurpose vessels—vessels that can be used as container ships or bulkers.

"We are buying more vessels for this joint-venture company. We are talking to investors and seeing a lot of interest, even from new investment sources within Hong Kong," he said.

Newbuilding, however, appears to be a different matter. "Although we've seen a lot of recovery in shipping, it is still not complete to enable a shipowner to place a newbuilding. Anybody placing a newbuilding is speculating."

Newbuilding prices for the past two years have risen an estimated 50 per cent, but freight rates have still not improved enough to cover the cost of newbuildings.

## Macao

### Lu Ping, Delegation Continue Fact-Finding Visit

#### Reaffirms 'Two Systems'

OW1009134889 Beijing International Service  
in Mandarin 0900 GMT 7 Sep 89

[Text] Lu Ping, deputy director of the Hong Kong and Macao Affairs Office under the Chinese State Council and secretary general of Macao Basic Law Drafting Committee, reiterated in Macao on 5 September that under no circumstances will China change its policy of one country, two systems or its policies toward the region.

Cui Deqi, director of Macao Basic Law Consultative Committee, pointed out at a banquet that the drafting and consultative work for Basic Law for Macao has now entered a substantive stage. He said: The visit to Macao by Lu Ping and his party to solicit opinions and suggestions from people from all walks of life in an all-around manner, and to get a concrete understanding of their demands and wishes, will have positive effect on drafting the Basic Law's framework.

#### Warns Portuguese Passport Holders

HK1109025989 Hong Kong SOUTH CHINA  
MORNING POST in English 11 Sep 89 p 7

[By Adam Lee in Macao]

[Text] The vice-director of the State Council's Hong Kong and Macao Affairs Office, Mr Lu Ping, yesterday said Chinese Portuguese subjects in Macao would be considered Chinese nationals and would not be entitled to Portuguese consular protection after the enclave reverts to Chinese rule in 1999.

Mr Lu, who heads a four-man delegation of the Macao Basic Law Drafting Committee, is on a 13-day fact-finding mission to Macao.

The nationality issue for Chinese holders of Portuguese passports was raised by members of the Macao Kaifongs' General Union when they met the mainland Basic Law drafters yesterday.

Mr Lu stressed that Portuguese passports would only be considered as travel documents after 1999.

The arrangement is in line with the proposed provisions for Hong Kong British passports after 1997.

The Chinese holders of Portuguese passports cannot claim consular protection from Portuguese consular officers in China, he said.

They can also use their Portuguese passports to travel to other countries but not China.

The Sino-Portuguese Joint Declaration on Macao stipulates that "China will permit Chinese nationals in Macao previously holding Portuguese travel documents to continue to use these documents for travelling to other states and regions after the establishment of the Macao Special Administrative Region."

China, Mr Lu stressed, does not recognise dual nationality.

He also pointed out that Chinese officials assigned to Macao or Hong Kong, even after having lived in the territories for more than seven years, will not be considered as permanent Hong Kong or Macao citizens because they are holder of People's Republic of China passports.

The nationality issue has become a bone of contention between Portugal and China.

After the signing of the Sino-Portuguese Joint Declaration on Macao, Portuguese President Mario Soares and Prime Minister Cavaco Silva had stressed that Chinese holders of Portuguese passports in Macao would be treated as general Portuguese citizens.

#### Sino-Portuguese Joint Liaison Group Leaders Meet

OW0909101689 Beijing XINHUA in English  
0947 GMT 9 Sep 89

[Text] Macao, September 9 (XINHUA)—Leaders of the Chinese and Portuguese teams to the Sino-Portuguese Joint Liaison Group (JLG) exchanged views here Friday on the preparations of the next meeting of JLG later this year.

The sixth JLG meeting is scheduled to be held here on December 5. It is learned that the two sides are going to discuss matters such as Macao's membership in the international maritime organizations as a free port and its participation in the General Agreement on Tariffs and Trade (GATT) as an independent tariff zone.

Kang Jimin, head of the Chinese delegation of the JLG, hosted a dinner Friday night for his counterpart, Pedro Catarino, who arrived here on September 5 on his first visit to Macao.



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